

## INDIAN INSTITUTE OF TECHNOLOGY ROORKEE

**NAME OF DEPARTMENT/CENTRE:** Department of Management Studies

1. **Subject Code:** BMN-697                      **Course Title:** Foreign Exchange Risk Management
2. **Contact Hours:**                      **L:** 3                      **T:** 0                      **P:** 0
3. **Examination Duration (Hrs.):**                      **Theory:** 2                      **Practical:** 0
4. **Relative Weightage:**    **CWS:** 50    **PRS:** 0    **MTE:** 0    **ETE:** 50    **PRE:** 0
5. **Credits:** 1.5    **6. Term:** IV/V/VI/VII
7. **Pre-requisite:** Nil    **8. Subject Area:** PEC
9. **Objective:** To impart knowledge on various aspects of foreign exchange risk management and provide exposure to the tools and techniques of forex management.

### 10. Details of the Course

S.No.	Contents	Contact hours
1.	Unique challenges in International finance, International Monetary System, Balance of Payment, Various economic Currency Crisis.	3
2.	Foreign Market: Basics, Forex Market Working, Spot Exchange Rates, Currency Arbitrage, Exchange Rate Quotations, Exchange rate systems.	4
3.	Forex and Parity: International Parity Relationships: Interest rate parity, purchasing power parity, Forecasting Foreign Exchange Rates.	4
4.	Currency Markets: Currency Futures, Currency Option, Currency Swaps.	4
5.	Foreign Exchange Exposure and Management: Management of Transaction Exposure, Management of Economic Exposure, Management of Translation Exposure.	6
<b>Total</b>		<b>21</b>

### 11. Suggested Books:

S.No.	Name of Authors/Book/Publisher	Year of Publication / Reprint
1.	A.Alviniussen, H. Jankensgård, L. Oxelheim.” Corporate Foreign Exchange Risk Management”, Wiley.	2020
2.	M.S.V. Prasad, G.V. Satya Sekhar. “Currency Risk Management”, Vernon Press.	2018
3.	Cheol S Eun, Bruce G Resnick. “International Financial Management ”, McGraw Hill	2017
4.	Jeff Madura., “International Financial management” Cengage Learning	2018
5.	Ghassem A. Homaifar. “Managing Global Financial and Foreign Exchange Rate Risk”, Wiley Finance Book	2004