

Guidelines for the Paper Titled "International Monetary and Financial Environment" of B. Com. (Hons.) Discipline Specific Elective – 6.5 (DSE-6.5); Semester-VI, NEP Course

JOINTLY ORGANISED BY
Department of Commerce, Faculty of Commerce and Business,
Delhi School of Economics, University of Delhi
and
Sri Venkateswara College, University of Delhi
on 27th February, 2025

MINUTES

An online meeting was held on Thursday, 27th February, 2025 at 6:00 PM on Google Meet Platform (<https://meet.google.com/jcc-itfn-hky>) to prepare the Guidelines for NEP-based Syllabus w.e.f. 2022-23 for the paper titled "**International Monetary and Financial Environment**" of **B. Com. (Hons.) Paper No. 6.5. DSE 6.5, Semester VI**, jointly organised by Department of Commerce, Faculty of Commerce and Business, Delhi School of Economics, University of Delhi and Sri Venkateswara College, University of Delhi. The meeting was convened by Dr. Vinod Kumar, Assistant Professor, Department of Commerce, Sri Venkateswara College and Dr. Rohit Kumar Shrivastav, Assistant Professor, Department of Commerce, Faculty of Commerce and Business, Delhi School of Economics, University of Delhi who served as representative of the Department of Commerce. The following members were present in the online meeting:

Sr. No.	Faculty' Name	College
1	Dr. Vinod Kumar	Sri Venkateswara College
2	Dr. Rohit Kumar Shrivastav	Department of Commerce, University of Delhi
3	Dr. Santosh Kumar	Shri Ram College of Commerce
4	Ms. Mohini Yadav	Sri Venkateswara College
5	Dr. Vijay Vrat Arya	Shaheed Bhagat Singh College
6	Mr. Brijesh Yadav	Delhi College of Arts & Commerce
7	Ms. Nikita Dureja	Satyawati College
8	Dr. M Rama Naik	Sri Venkateswara College
9	Ms. Nimmy Rose Jacob	Jesus and Merry College
10	Dr.P.Chengalrayulu	Sri Venkateswara College
11	Ms. Anjali R. Meena	Satyawati College

The following guidelines were decided in the online meeting with the consent of all the Faculty Members and the Representative of Department of Commerce, Faculty of Commerce and Business, Delhi School of Economics, University of Delhi:

Teaching Related General Guidelines:

1. Total Number of Hours: 45
2. Unit-Wise Breakup of 45 Hours and Other recommendations are as follows:

Unit	Hours	Contents	Readings (Books) Suggested
1	9	Unit 1: International Monetary System Overview of International Monetary System: Evolution, Gold Standard, Bretton Woods System, the floating exchange rate regime; Types of Exchange Rate Systems; International Agencies Regulating and Facilitating International Financial Flows: IMF, World Bank and its institutions, Bank for International Settlements; Balance of Payments (BoP): Concept, Components of BoP, factors affecting BoP, BoP-equilibrium and disequilibrium.	Main Reading: Dominick Salvatore (2020); 13 th Edition, <i>International Economics</i> , Chapter-21, International Monetary System: Past, Present and Future. Chapter – 13, Balance of Payments Additional source: Eiteman, D.K., Stonehill, A.I. & Moffett, M. H. (2021); 15 th Edition, <i>Multinational Business Finance</i> , Pearson, Chapter 2, The International Monetary System
2	9	Unit 2: Foreign Exchange Markets and Exchange Rate Determination Foreign Exchange markets: characteristics, functions, structure and participants; Factors affecting exchange rate: relative inflation rates, relative interest rates, relative income levels, government controls, current account deficit, currency speculation and expectations, public debt, political stability and economic performance; Government intervention and influence on exchange rates; Theories of exchange rate determination: purchasing power parity, interest rate parity, international fisher effect	Jeff Madura (2020) , <i>International Financial Management</i> , 14 th edition, Cengage Learning; Chapter – 4, Exchange Rate Determination, Chapter – 6, Government Influence on Exchange Rates Chapter - 8, Relationship among Inflation, Interest Rate and Exchange Rate.
3	9	Unit 3: Foreign Exchange Derivatives Spot market, spot rate quotations, bid-ask spreads, trading in spot markets, cross exchange rates; Trading in forward markets, long and short forward positions, forwards premium and discount; Arbitrage, hedging and speculation	Main Readings: Sharan Vyuptakesh (2010), <i>International Financial, PHI Learning, Management</i> , 6 th edition, Chapter – 6, Markets for Currency Futures; Chapter – 7, Market for Currency Options Additional Readings Maurice D. Levi (2009), <i>International Finance</i> , 1 st Edition, Chapter - 2, An Introduction to Exchange Rate; Chapter – 3, Forward Exchange

4	9	Unit 4: Foreign Exchange Risk Management Types of foreign exchange risk: transaction exposure, translation exposure, economic exposure; Hedging against foreign exchange exposure; Forwards market, futures market and options market; Country risk analysis	Main Readings: Sharan Vyuptakesh (2010), International Financial, PHI Learning, Management, 6 th edition, Chapter – 8, Forecasting Exchange Rate (For practical exercises) Chapter – 9, Nature and Measurement of Foreign Exchange Exposure (For practical exercises) Additional Readings Maurice D. Levi (2009), International Finance, 1 st Edition, Chapter - 4, Currency Futures and Options Markets (for Theoretical learnings)
5	9	Unit 5: International Financial Markets and Instruments Foreign Portfolio Investment: International Bond and Equity market, GDRs ADRs, cross-listing of shares; Global registered shares; International financial instruments: foreign bonds, Eurobonds, global bonds, floating rate bonds, zero coupon bonds; International money markets	Jeff Madura (2020) , International Financial Management, 14 th edition, Cengage Learning; Chapter – 3, International Financial Market (International Money Market) Additional Readings Sharan Vyuptakesh (2010), International Financial, PHI Learning, Management, 6 th edition, Chapter – 14, International Portfolio Investment

Practical Exercises:

The learners are required to:

1. Illustrate and explain the direction of India's foreign trade and investment flows through an analysis of Balance of Payments over a period of last five years.
2. Do Practical questions on working of foreign exchange quotations.
3. Conduct an inter-country comparison to understand the factors affecting exchange rates under different exchange rate systems.
4. Explain through examples how companies use currency derivatives to minimize the risk.
5. Examine the market conditions under which companies use foreign currency instruments to raise funds.

Examination/Assessment Related Guidelines:

Total Marks	Theory Examination	Internal Assessment	Continuous Assessment
160	90 marks (Duration: 3 hours)	30 marks	40 marks
		12 marks: Term exam 12 marks: Assignment/presentation 6 marks: Attendance	5 marks: Attendance 35 marks: As per Activity mentioned in Ordinance VIII, part b(i) dated 10 th February, 2023

Theory Examination Related General Guidelines:

Total number of questions will be five and each question will have two parts of 9 marks each. The students will get choice in each question like this:

1. Question no. 1 (a) 9 marks, (b) 9 marks; or (c) 9 marks, (d) 9 marks.
2. Question no. 2 (a) 9 marks, (b) 9 marks; or (c) 9 marks, (d) 9 marks.
3. Question no. 3 (a) 9 marks, (b) 9 marks (Practical/Numerical Question); or (c) 9 marks, (d) 9 marks ((Practical/Numerical Question).
4. Question no. 4 (a) 9 marks, (b) 9 marks (Practical/Numerical Question); or (c) 9 marks, (d) 9 marks ((Practical/Numerical Question).
5. Question no. 5 (a) 9 marks, (b) 9 marks; or (c) 9 marks, (d) 9 marks.

Note: The student will attempt either part (a) and (b) or (c) and (d) in each question.

Unit	Hours	Marks allocated
1	9	18
2	9	18
3	9	18
4	9	18
5	9	18

The faculty members actively participated in the meeting & gave their valuable inputs.

The meeting was ended with a vote of thanks to timely initiative of Sr. Prof. Ajay Kr. Singh, Head and Dean, Department of Commerce, Faculty of Commerce and Business, Delhi School of Economics, University of Delhi, Dr. Vinod Kumar, Convener, Department of Commerce, Sri Venkateswara College, University of Delhi for the initiative taken by him in organizing and executing this meeting. Faculty members expressed a special thanks to Dr. Rohit Kumar Shrivastav, Representative, Department of Commerce, Faculty of Commerce and Business, Delhi School of Economics, University of Delhi for his expertise and in contributing his invaluable inputs and to the Principal of the College, Prof. Vajala Ravi.

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