

**SARDAR PATEL UNIVERSITY**  
**Programme & Subject: BBA (Information Technology Management)**  
**Semester: VIII**  
**Syllabus with effect from: June-2014**  
**(Batch-2011)**

<b>Paper Code: UM08EBBI03</b>	<b>Total Credit: 3</b>
<b>Title Of Paper: Fundamentals of International Finance - II</b>	

Unit	Description in Detail	Weightage (%)
I	<b>Capital Budgeting for the Multinational Corporation</b> Introduction; Basics of Capital budgeting; Issues in foreign Investment Analysis; Political Risk Analysis;; International Capital Budgeting; The Basic Framework; Issues in Foreign Investment Analysis; Parent Vs. Project Cash Flows, Exchange Rate Change and Inflation ;Tax Treatment of Foreign source Income, Political and Economic Risk Analysis; Expropriation , Incorporating Country Risk Analysis in Capital Budgeting; Multinational capital Budgeting	25%
II	<b>Techniques of Capital budgeting for the Multinational Corporation</b> Nature, Difficulties and Importance of multinational capital budgeting decisions, Data Requirement – Incremental/Relevant cashflows, Project Evaluation Criteria, Non Discounted Cash Flow Criteria for Project Evaluation ;Discounted Cash Flow Criteria for Project Evaluation, Net Present Value; Profitability Index; Internal Rate of Return - Examples;	25%
III	<b>Cost of Capital for the Multinational Corporation</b> Concept of Cost of Capital, MNC cost of capital, Cost of equity using CAPM, Cost of capital across countries, Computation of Cost of debt, cost of preference shares and cost of equity capital, Computation of overall cost of capital, Adjusted Present Value Approach	25%
IV	<b>International Working Capital Management</b> Working capital policy, Basics of managing cash and near cash assets, steps in management of cash and near cash assets, management of receivables, management of inventory, financing of current assets.	25%

**Basic Text & Reference Books:-**

- Bhalla, V.K. International Financial Management, 2nd ed. New Delhi, Anmol, 2001
- Sharan Vyuptakesh, International Financial Management (5th ed), PHI Learning Private Ltd, New Delhi
- Shapiro, Alan C. Multinational Financial Management, New Delhi, Prentice Hall of India, 1995.
- Apte P G, International Financial Management [4th ed], Tata McGraw Hill
- Khan & Jain, Financial Management (5th ed), Tata McGraw Hill
- Pandey I M, Financial Management (10th ed), Vikas Pub. House
- Jeff Madura, International Corporate Finance (8th Edition) Thomson South Western



