

Programme : Master of Commerce [M.Com]
 Course Code : COM-625
 Course Title : Treasury and Forex Management
 Number of Credits : 4
 Effective from AY : 2022 – 2023

Pre-requisites for the Course:

NIL

Objectives of the Course:

1. To understand and assess the objectives of Treasury Management
2. To learn and understand the function and scope of Treasury Management

Course Content

Unit 1	Introduction to Treasury Management	12 Hours
Meaning, Objectives, Significance – Functions and Scope of Treasury Management – Organization Structure of Treasury - Relationship between Treasury and Financial Management - Treasury Management - Systems and Techniques - Treasury Policy and Procedure Manual - Open Position Limits – Deal Size Limits - Stop Loss Limits - Control and Reporting Requirements - Dealing and Trading Operations - Liquidity and Cash Flow Management - Treasury Management Processes - Payment & Settlement Systems		
Unit 2	Domestic Treasury Management (Theory and Problems)	16 Hours
Classification of Treasury Market – Money Market – Need for money market – Participants in money markets – Money Market Instruments – Capital Markets – Bond Markets – Commodity Market – Current Yields – YTM – Changes in Yields - Different Maturities of Treasury Bonds- Mark to Market - Value at Risk (VaR)		
Unit 3	Introduction to Forex Management	16 Hours
Introduction– Nature of Forex Management– Scope of Forex Management– Significance of Forex Management – Forex Manager and his Skills– Foreign Exchange Market and its Structure – Role of Banks in Forex Market - Organization of Foreign Exchange Market in India – Participant in Forex Market.		
Unit 4	Foreign Exchange Exposure Management	16 Hours
Foreign Exchange Rates and its Determination – Exchange Rate Quotes – Exchange Rate Mechanism - Types of Exchange Rates (Spot, Cross, and Forward Rates) – Forex Trading – Hedging and Arbitrage - Currency Futures, Options, and Swaps - Covered Interest Rate Arbitrage – Borrowings and Investing Markets – Foreign Exchange Risk Exposures and their Management–Exchange Rate Forecasting– Risk in Foreign Exchange Business. (<i>Theory and Problems</i>)		

Pedagogy:

The following methods and forms of study are used in the course Lectures/ classroom discussions/presentations/case studies/ group projects/assignments, or a combination of some of these. The sessions shall be interactive to enable peer group learning.

Reference / Readings:

1. Dudley Lockett, *Money and Banking*, McGraw Hill. (Latest edition)
2. Gerald Hatler, *Bank Investments and Funds Management*, Macmillan, 1999
3. M. Y. Khan, *Indian Financial System*, Tata McGraw Hill, 6th Edition, 2009
4. P. K. Srivastava, *Banking Theory and Practice*, Himalaya Publishing House, 2013
5. Srivastava, Divya Nigam, *Management of Indian Financial Institutions*, Himalaya Publishing House, 2015
6. Stigum, *Managing Bank Assets, and Liabilities*, Dow-Jones Irwin (Latest edition)

7. Vasant Desai, *Banks and institutional management*, Himalaya Publishing House, 2010
8. Vasant Joshi, Vinay Joshi, *Managing Indian Banks- Challenges Ahead*", Response Books, 3rd Edition, 2009

Online Resources:

1. ICAI - Forex and Treasury Management modules:
https://www.icai.org/post.html?post_id=9992
2. <https://resource.cdn.icai.org/40183cfmip29920mod1.pdf>
3. https://www.icsi.edu/media/webmodules/publications/FTFM_Final.pdf

Course Outcomes:

After the completion of the course, the students will be able to:

CO1: To have a contextual appreciation of the changes in the global financial market, the issues facing the corporate financial manager, the development of academic theory and of practice in explaining and managing the financial risk these changes bring.

CO2: Understand and conquer the complexities of F.X. and treasury management

CO3: Solve integrated and practical treasury problems

CO4: Identify and evaluate exchange rate risks facing domestic and multinational companies.