

# As Per NEP 2020

## University of Mumbai



### Title of the program

- A-U.G. Certificate in Management Studies 2024-25**
- B-U.G. Diploma in Management Studies 2025-26**
- C-Bachelor of Management Studies 2026-27**
- D-Bachelor of Management Studies (Hons.) 2027-28**
- E-Bachelor of Management Studies  
(Hons. with Research) 2027-28**

### Syllabus for

### Semester – Sem I to II

Ref: GR dated 20<sup>th</sup> April, 2023 for Credit Structure of UG

**(With effect from the academic year 2024-25  
Progressively)**

VSC/ SEC

**Programme Name: BMS (Bachelor of Management Studies)**

**Course Name: Foreign exchange market and Derivatives**

**Total Credits: 02**

**Total Marks :50**

**University assessment :30**

**College assessment :20**

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**Course Objectives:**

- a) To enable learners to obtain knowledge of foreign exchange markets across the globe as well as in the Indian context.
- b) To study the strategies of risk management with respect to foreign exchange.
- c) To understand about the derivative market of world and at Indian level

**Course outcome:**

CO1) Learners will analyse alternative currency translation methods for settlement of goods.

CO2) Students will examine the organization of the Foreign Exchange Market,

CO3) Learners will acquire the information about the derivative market and its operation.

CO4) Learners will identify foreign exchange risk and the techniques available to control the same.

**Module 1**

**Unit 1 Foreign Exchange Markets – an Overview**

- a) Concept, Features, Need, Participants, Functions, Structure of Forex Markets, Foreign Currency Accounts – VOSTRO, NOSTRO, LORO, Meaning and types of Foreign Exchange Risk, Role of Foreign Exchange Dealers Association of India.
- b) FERA and FEMA Regulations, Advantages - Limitations of Capital and Current Account Convertibility, Meaning - Advantages -Limitations of Fixed and Flexible Exchange Rate, Distinction between Fixed and Flexible Exchange Rate.

**Module 2**

**Unit 2 Derivatives Market**

- a) Definition of Derivatives, Features, Benefits of Derivatives, Disadvantages of Derivatives, , Introductions and significance of Index, Types of foreign Exchange Quotations, Basic Numerical Problems -Direct and Indirect quotes, Spread, Spread Percentage, Forward Rates, Cross rate
- b) Emerging Structure of Derivatives Markets in India - Types of Derivatives and Practical numerical problems on Spot, Forward, Futures, Options and Swaps,

## ***References***

- ***Donald, R.L. (2013) – Derivatives Markets, Pearson***
- ***H.P. Bhardwaj. (Edition - 2009). Foreign Exchange Management. Wheeler Publishing.***
- ***Jeevanandam-C. (2020). Foreign Exchange & Risk Management. Sultan Chand & Sons.***
- ***P.G.Apte. (2011). International Financial Management. McGraw Hill Education (India) Private Limited***
- ***S. S. S. Kumar (2007) Financial Derivative. PHI Learning Publisher***