

## Forex (VSC)

### Credits 2

#### Description of the course:

"Forex" explores the principles and practices of foreign exchange markets. It covers topics such as currency trading, exchange rate mechanisms, and risk management strategies, providing insights into the dynamics of global financial markets and the factors influencing currency fluctuations. The subject also examines the role of forex markets in international trade, investment, and monetary policy.

#### Aims & Objectives:

1. To provide students with a comprehensive understanding of the structure, functions, and participants of foreign exchange markets.
2. To develop students' skills in currency trading and risk management techniques.
3. To explore the role of forex markets in facilitating international trade.

#### Course outcomes:

1. Students will be prepared to understand with foreign exchange market structure, market dealings.
2. Students will Understand the functions and players in the foreign exchange market.
3. Students will Gain knowledge to manage the exchange exposures

Sr. No.	Modules	No. of Lectures
1	Introduction of International Monetary System	15
2	Foreign Exchange Market and Participants	15
<b>Total</b>		<b>30</b>

Sr. No.	Modules
<b>1</b>	<b>Introduction of International Monetary System</b>
	<b>Unit 1:</b> International Monetary Systems: Introduction to Forex, Currency Pair Types, Forex Currency Pairs, Evolution of International Monetary System: Gold Standard System, Bretton Woods System, Flexible Exchange Rate Regimes – 1973 to Present, Current Exchange Rate Arrangements, European Monetary System, Fixed & Flexible Exchange Rate System <b>Unit 2:</b> An introduction to Exchange Rates: Foreign Bank Note Market, Spot Foreign Exchange Market Exchange Rate Quotations ,Direct & Indirect Rates, Cross Currency Rates , Spread & Spread %, Factors Affecting Exchange Rates
<b>2</b>	<b>Foreign Exchange Market and Participants</b>
	<b>Unit 1:</b> Foreign Exchange Markets: Introduction to Foreign Exchange Markets, Structure of Foreign Exchange Markets, Types of Transactions & Settlement Date, Exchange Rate Quotations & Arbitrage, Forward Quotations (Annualized Forward Margin) <b>Unit 2:</b> Forex Participants: Market and Market Participants, Foreign Exchange Management in India, Retail and Whole Sale Component of Indian Foreign Exchange Market, Role of FEDAI, FEMA and Regulatory Framework, Dealing Room Operations.

#### References:

- Foreign Exchange Management: Theory and Practice" by A. V. Rajwade, published by Tata McGraw-Hill Education
- The Handbook of Foreign Exchange Trading" by Jagdeep Singh Kalsi, published by Vision Books.
- Forex Trading Guide: Basics and Strategies" by S. Wade Hansen and Peter R. Bain, published by Tata McGraw-Hill Education
- Currency Trading and Intermarket Analysis: How to Profit from the Shifting Currents in Global Markets