

# Basics of International Finance

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# Meaning:

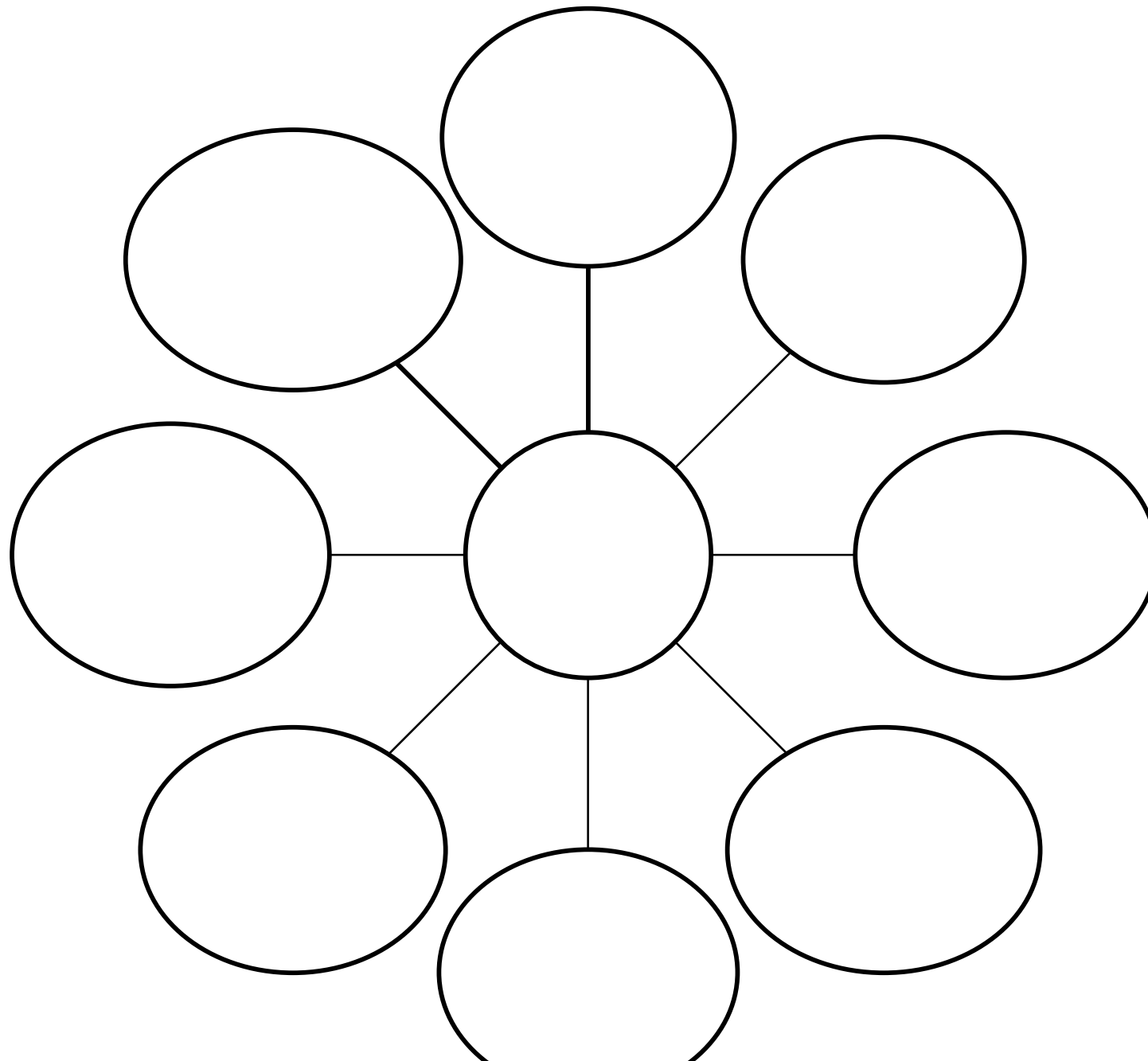


- Every good or service reaching us from abroad has involved international finance.
- International Finance is an area of financial economics that deals with **monetary interactions between two or more countries.**

# Why to Study International Finance?

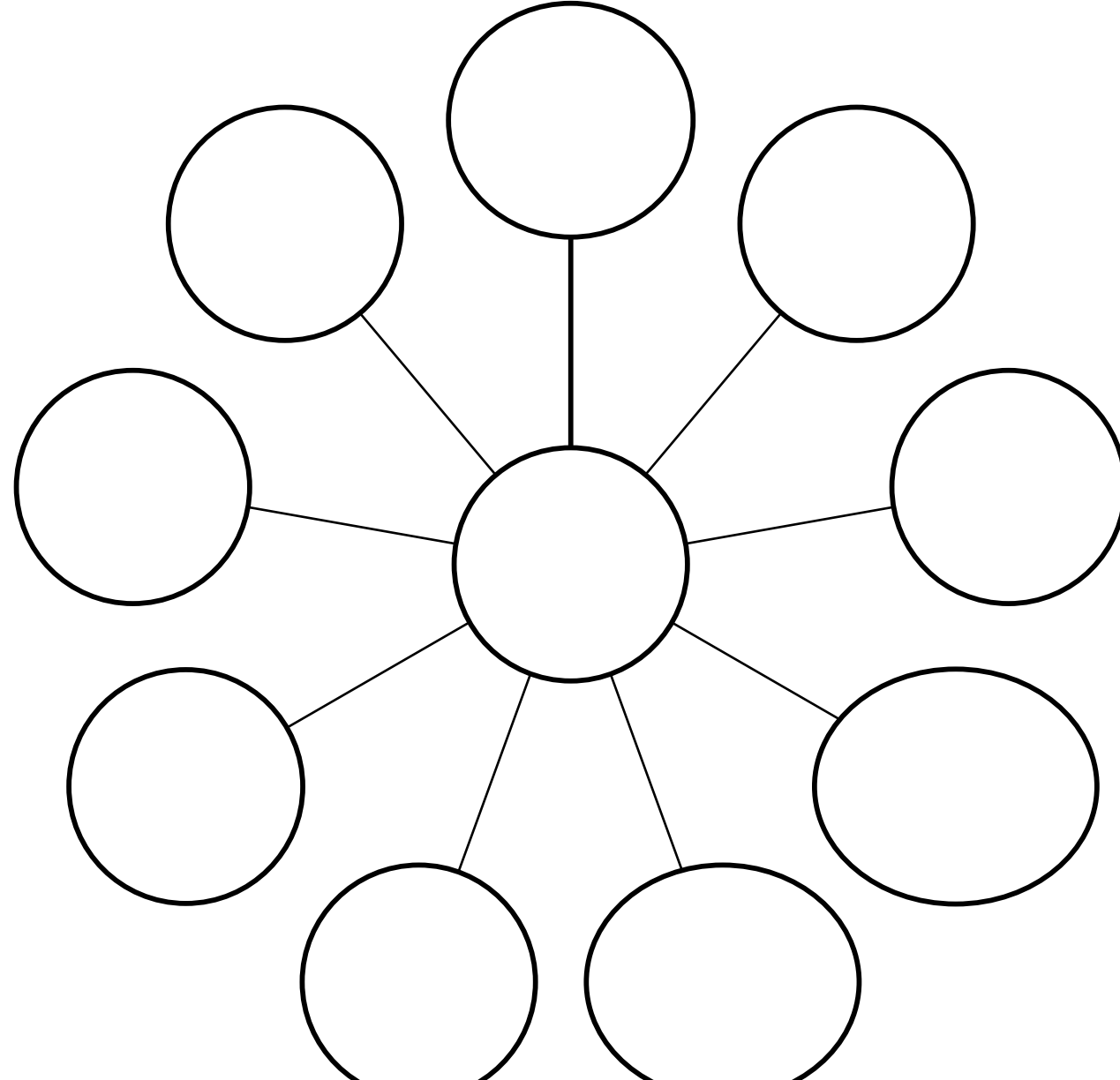
- Helps manager's **avoid harmful effects** of international events or even to profit from such events.
- Events that affect the firm and that must be managed like changes in exchange rates, interest rates, inflation rates, because they **affect asset values**.
- **Increased globalization** of financial markets, affect events in distant lands, **will have an impact** on your company.
- **Increased flow of capital** between nations include a **more efficient international allocation** of capital.
- **Greater opportunities** for companies.
- **Risk diversification**.

# Scope:





# International Finance Affects What All?



## TCS

Indian

31-03-2020 1USD= 76

31-03-2021 1USD= 73

Sales = 100 USD = 7600

100 USD = 7300

(300)

Loan = 1000 USD = 76000

1000 USD = 73000

Saving = 3000

# References:

- International Finance, 5<sup>th</sup> Edition, Maurice D Levi
- [https://www.academia.edu/9090444/The\\_fifth\\_edition\\_of\\_Maurice\\_D](https://www.academia.edu/9090444/The_fifth_edition_of_Maurice_D)
- All companies websites for their logo
- <https://www.inventiva.co.in/trends/inventiva/how-china-will-emerge-as-the-worlds-leading-economy-surpassing-america-with-monopoly-in-entire-asia-europe-africa-after-spreading-coronavirus-epidemic-in-world/>



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