

**ASSAM DON BOSCO UNIVERSITY**  
**SCHOOL OF COMMERCE AND MANAGEMENT**  
**DEPARTMENT OF COMMERCE**  
**Modified Course Structure/Syllabus in SPRING 2019**

**CMFX0038: COMMODITIES AND FOREX MANAGEMENT**

**(4 credits – 60 hours)**

**Objectives:** *The objectives of the course are to-*

- *To introduce the students to the concept of Forex management*
- *To make them aware about the risks associated with Foreign exchange*
- *To introduce the students to the concept of commodities management.*

**Module I: Forex Management (15 Hours)**

- a) Nature, Significance and Scope of Forex Management; Foreign Exchange Market and its Structure
- b) Foreign Exchange Rates and its Determination; Types of Exchange Rates, Spot and Forwards Exchange Rates; Forex Trading;
- c) Currency Futures and Options, Foreign Exchange Risk Exposures and their Management; Exchange Rate Forecasting; Risk in Foreign Exchange Business

*Case Study*

**Module II: Foreign exchange Risk Management (15 Hours)**

- a) Conceptual Overview; Nature and Exposure ( Economic, Transaction and Translation)
- b) Hedging and Speculation.
- c) Framework of Managing Exposures, Accounting Implications of Forex Transactions

**Module III: Derivatives and Exposure Management (15 Hours)**

- a) Currency Forwards; Currency Options; Currency Futures; Currency Swaps
- b) Interest Risk Management

**Module VI: Commodities Management (15 Hours)**

- a) Introduction to commodity derivatives, commodity exchanges and commodity contracts
- b) Pricing commodity Forward, Futures and options
- c) Risk Management in Agricultural Price
- d) Crude Oil and Base metal derivatives; Gold and Electricity Price Risk Management; Weather and Carbon Derivatives

*Case Study on commodities management*

**COURSE/LEARNING OUTCOMES**

At the end of the course students will be able to:

CO1: Construct their own wealth management and financial planning.

CO2: Distinguish between good and bad investment, to build a good portfolio, understanding the economy – sector and industries, understanding stock market basics, understanding risk management, understanding money management.

**Suggested Readings**

1. M.Y. Khan & P.K. Jain, Financial Management – Text and Problems, Tata McGraw Hill Publishing Co. Ltd., New Delhi.
2. Prasanna Chandra , Financial Management – Theory & Practice, Tata McGraw Hill Publishing Co. Ltd., New Delhi
3. R.P. Rustagi, Strategic Financial Management ,Taxmann Publication Pvt. Ltd
4. Neil C. Schofield, Commodity Derivatives: Markets and Applications
5. Prabina Rajib, Commodity Derivatives and Risk Management