



Vocabulary

Globalized production: MNCs source inputs and locate productions anywhere in the world.

Integrated financial markets: Internationally diversified investment, internationally tradable financial securities.

Sovereign: possessing supreme or ultimate power.

Impediments: a hindrance or obstruction in doing something.

Asymmetry: lack of equality or equivalence between parts or aspects of something; lack of symmetry.

Inflation: a general increase in prices and fall in the purchasing value of money.

IFRS: International Financial Reporting Standards (IFRS) is a set of accounting standards developed by an independent, not-for-profit organization.

Finance is an international context.

Why do we need to know international finance?

- We are living in a highly globalized and integrated world economy.
- Continued liberalization of international trade further internalizes the consumption pattern.
- Globalized production and Integrated financial markets.

