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| **CHAPTER ONE**  Arbitrage  Foreign direct investment  Globalization  Multinational corporation  Tax arbitrage  **TWO**  Currency depreciation  Exchange rate  Freely Floating exchange rate  Pegged currency  **FOUR**  Covered interest arbitrage  Fisher Effect  Interest Rate Parity  International Fisher Effect  Law of One Price  Purchasing Power Parity  Unbiased forward rate  **SEVEN**  Bid-ask spread  CHIPS  Cross rate currency arbitrage  Direct quotation  Forward contract  Forward premium  Hedgers  Herstatt risk  Indirect quotation  Interbank market  SWIFT  Spot market  Spot price | **EIGHT**  American option  At-the-money  Call option  Currency future  Currency option  European option  Exercise (strike) price  Futures contract  Initial margin  In-the-money  Maintenance margin  Margin call  Marking to market  Out-of-the-money  Put option  **EIGHTEEN**  Banker’s acceptance  Bill of lading  Cash in advance  Commercial invoice  Confirmed letter of credit  Discounting  Draft  Export credit insurance  Factoring  Forfaiting  Irrevocable Letter of Credit  Nonrecourse  Open account sales  Recourse  Sight draft  Time draft |