

SES's L.S. RAHEJA COLLEGE OF ARTS AND COMMERCE (AUTONOMOUS)



BOARD OF STUDIES: ACCOUNTANCY & FINANCE

PROGRAMME: M.COM (Advanced Accountancy)

SEMESTER: IV

**NOMENCLATURE OF THE COURSE: FOREIGN EXCHANGE
MANAGEMENT ACT**

NEP Vertical: Elective

Credit: 4

(As Per Choice Based Credit System (under NEP 2020) with effect from the Academic Year 2025-26)



Programme:	B.COM
Nomenclature of the Course	Accountancy & Financial Management - III
Total Marks	100 marks
Semester:	III
Academic year	2025-26

Learning Objectives:	<p>☑ To provide students with a thorough understanding of the Foreign Exchange Management Act (FEMA), including its purpose, key provisions, and role in managing foreign exchange in India. This will involve an exploration of the regulatory framework and the institutions responsible for its enforcement.</p> <p>☑ To enable students to analyze and interpret current and capital account transactions, including foreign investments, remittances, and repatriation. Additionally, students will gain insight into FEMA's compliance requirements, penalties for violations, and recent updates or amendments to the Act, preparing them for real-world applications in international trade and finance.</p>
Course Outcomes:	<ul style="list-style-type: none"> • Students will gain a comprehensive understanding of the Foreign Exchange Management Act (FEMA), its key provisions, and the regulatory bodies involved. They will be able to apply FEMA's guidelines effectively to manage both current and capital account transactions, ensuring compliance in real-world foreign exchange scenarios. • Students will develop the ability to interpret compliance requirements under FEMA, recognize the penalties for violations, and understand the enforcement procedures. They will be equipped to manage foreign exchange transactions in line with legal and regulatory frameworks, ensuring adherence to the law in business practices.

Unit	Course Content	Andragogy	No of Lectures
1.	Introduction to FEMA and Regulatory Framework Overview of FEM Historical background and objectives of FEMA, Importance of FEMA in India's economic development Definitions, Residential Status under FEMA, Authorised Person, Accounts in India by person resident out of India, Accounts of Indian residents in foreign currency	Lectures, group discussions, case studies, and interactive lectures	15 hours
2.	Current Account Transactions under FEMA	Lectures, group	15 hours

	Definition and Guidelines, Types of current account transactions, Remittances and regulations for individuals and entities, Payment for imports and exports, Rules for foreign exchange management in tourism, education, and services sectors, foreign exchange regulations for non-resident Indians (NRIs), Liberalised Scheme of Remittance (LRS)	discussions, case studies, and interactive lectures	
3.	<p>Capital Account Transactions and Foreign Investments</p> <p>Capital Account Transactions - Definition and distinction from current account transactions, Guidelines for capital account transactions under FEMA</p> <p>Foreign Investments - Foreign Direct Investment (FDI) and Foreign Institutional Investors (FII) regulations, Investments by NRIs and PIOs (Persons of Indian Origin), External Commercial Borrowings (ECB) and their regulations, Repatriation of Capital and Earnings</p>	Lectures, group discussions, case studies, and interactive lectures	15 hours
4.	<p>Compliance, Penalties, and Recent Developments</p> <p>Documentation and reporting requirements for businesses and individuals, Role of auditors and legal professionals in ensuring FEMA compliance</p> <p>Violations under FEMA and brief overview of the penalties for non-compliance</p>	Lectures, group discussions, case studies, and interactive lectures	15 hours

SUGGESTED READINGS

- The Foreign Exchange Management Act, 1999
- CA Final Study Material - Institute of Chartered Accountants of India
- FEMA & FDI Ready Reckoner (2025). Taxmann.