

Annexure : 56 M
SCAA : 29.02.2008

Bharathiar University – Coimbatore – 641046

P.G. Diploma in International Business

Offered through School of Distance Education, Bharathiar University
From the Academic year 2007-2008

1. Eligibility:

Any Degree

2. Duration of the course:

The course shall extend over a period of one year. Examination shall be conducted at the end of the year.

3. Course of Study and Scheme of Examination

Paper	Subject	Exam Duration	Max Marks
I	Fundamentals of International Trade	3 Hrs	100
II	Export and Import Procedure	3 Hrs	100
III	Financing of Foreign Trade	3 Hrs	100
IV	Logistics Management	3 Hrs	100
V	Foreign Exchange Management	3 Hrs	100

4. Medium of Instruction:

The medium of Instruction and examination is English only.

5. Passing Minimum:

- A candidate shall be declared to have passed in a paper if a student obtains not less than 50% of Marks in that paper.
- A candidate failing to secure the minimum marks prescribed shall be required to reappear for the examination in that paper and obtain the minimum marks required for passing the paper.

6. QUESTION PAPER PATTERN

Max : 100 Marks (5*20=100 Marks)

Five out of eight questions to be answered

PAPER I - FUNDAMENTALS OF INTERNATIONAL TRADE

UNIT I

The Global Economy – Perspective on Theory of International Trade – The importance of International Trade – Global Trade and Developing countries.

UNIT II

International Commodity Agreements – Quota Agreements – Buffer stock agreements – State Trading – Bilateral and Multilateral contracts — Terms of Trade – Factors influencing terms of trade.

UNIT III

Tariffs – Meaning – Tariffs, Taxes and Distortions – Import Tariffs and Export Taxes – Export subsidies – Free Trade Vs Protection – Trade barriers.

UNIT IV

Multinational corporations – Definition and meaning – Importance – Benefits – criticisms – Multinational corporations in India.

UNIT V

Globalization – meaning, stages and essential conditions for globalization – Importance and benefits of globalization – Obstacles to globalization in India

Note: The Question Paper shall cover 100% Theory.

Books for Reference

1. International Trade – Theory and Evidence : By James R. Markusen, James R. Melvin, William H. Kaempfer & Keith E. Maskus
2. International Trade and Export Management : Francis Cherunilam
3. International Business : Francis Cherunilam
4. International Business : Subba Rao

PAPER II - EXPORT AND IMPORT PROCEDURE

UNIT I

Exports – Preliminaries for starting export business – Rules for successful exporting – Deemed exports and its benefits – Recent measures to boost country's exports.

UNIT II

Different categories of exporters – Registration of Exporters – Appointing overseas agents – obtaining export license – arranging finance for exports – packing goods for exports – marketing goods for exports.

UNIT III

Export documentation – Excise clearance – customs clearance – Role of clearing and forwarding agents – Insuring goods against marine risks – shipment of export cargo.

UNIT IV

Import procedure – Import licensing policy – Actual user licensing – replenishment licensing – import, export pass book – capital goods licensing – Letter of credit.

UNIT V

Retirement of Import documents – RBI's directive for making payment for import – customs clearance – customs duty.

Note: The Question Paper shall cover 100% Theory.

Books for Reference

1. How to Import : Nabhis Publication
2. How to Export : Nabhis Publication
3. Export Marketing : T. A. S. Balagopal
4. A Guide on Export Policy Procedure and Documentation : M. L. Mahajan
5. New Export-Import Policy : Nabhis Publication

PAPER III - FINANCING OF FOREIGN TRADE

UNIT I

Introduction to export finance – Terms of international payments – Modes of international payments – financing of export credit needs – short, medium and long term sources of finance.

UNIT II

Pre-shipment finance – categories of pre-shipment finance – facilities of pre-shipment credit – Pre-shipment credit in foreign currency – Post-shipment credit in rupees and foreign currency.

UNIT III

Introduction to import finance – foreign exchange for import of raw material, capital and consumer goods – Payment methods for imports.

UNIT IV

Long term finance – Deferred payments – categories - application procedure for long term finance – approval bodies – conditions for approval.

UNIT V

Financial Agencies – RBI – Industrial and export credit department – EXIM Bank – ECGC – IDBI – IFCI and other commercial banks

Note: The Question Paper shall cover 100% Theory.

Books for Reference

1. International Marketing : M. L. Varma & Agarwal
2. Export Import Finance : Parasram
3. International Finance : Maurice D. Levi
4. Foreign Exchange Management : C.Jeevanadham

PAPER IV - LOGISTICS MANAGEMENT

UNIT I

Logistics system – concept, objectives and scope – elements of logistic system – importance and relevance to export management.

UNIT II

General structure of shipping industry – Types of ships – Operating system – chartering principles – Freight structure and practices.

UNIT III

Role of intermediaries in shipping – Major and minor ports in India – Infrastructure - Issues governing shipping in India.

UNIT IV

Containerization – concept – operations – Types – Benefits – Inland container depots – problems and prospects.

UNIT V

International Air Transport – Advantages and Constraints – Air cargo – Tariff Structure – IATA.

Note: The Question Paper shall cover 100% Theory.

Books for Reference

1. Logistics Management & World Seabome Trade : Dr. Krishnaveni Muthiah
2. Study on shipping conferences : IIFT
3. System approach on problems of shipping
and export strategy for the 80's : IIFT
4. Freight tariffs and practices of shipping conferences : IIFT

PAPER V - FOREIGN EXCHANGE MANAGEMENT

UNIT I

Foreign Exchange - Concept and Significance - Foreign Exchange Rate: Direct and indirect quotations - Inter bank and Merchant rates - Spot rates and forward rates - T.T. Rates - Cross rates.

UNIT II

Determination of Exchange Rate - Purchasing Power Parity theory - Interest rate parity theory - Flow model - Asset market model.

UNIT III

Forecasting of exchange rates - Concepts of Nominal Effective Exchange Rate and Real Effective Exchange Rate.

UNIT IV

Foreign exchange risk management - Transaction exposure risk: Internal Strategies - Risk shifting, Risk sharing - Exposure netting and offsetting.

UNIT V

Exchange management in India - Fixed and fluctuating rates - Rupee convertibility - NOSTRO, VOSTRO and LORO Accounts - Exchange control measures: Need and Forms and relevance - Foreign Exchange Reserves of India: Trend, composition and management - Impact on exchange Rate - Monetary and fiscal policy initiatives for exchange rate management.

Note: The Question Paper shall cover 100% Theory.

Books for Reference

1. Multinational Financial Management : Alan C Shapiro
2. Guide to Foreign Exchange Regulations : Krishnamoorthy, S.
3. Principles of Foreign Exchange : Chatterjee,A.K.
4. Foreign Exchange - Practice, Concepts and Control : Jeevanandam. C
5. RBI Circulars relating to Foreign Exchange Amendments.
6. Foreign Exchange Management : Rajwadi