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FOREIGN TRADE

UNIVERSITY OF CALICUT

(Abstract)

P.G. Diploma course in Foreign Trade – Syllabus – approved – implemented – Orders issued.

GENERAL AND ACADEMIC BRANCH – I 'B' SECTION

No. GA/B1/3447/03.Vol.II (i)

Dated, Calicut University. P.O., 06.12.2008

- Read: 1. Letter No.SDE/D3/New Courses dated 22.11.2007 from the Director
School of Distance Education
2. This office letter of even No. dated 13.02.2008.
3. Minutes of the meeting of the Board of Studies in Economics (PG) held on
16.06.2008 and 18.08.2008.
4. Minutes of the meeting of the Faculty of Humanities held on 08.09.2008
(Item No.1)
5. Minutes of the Academic Council meeting held on 07.10.2008
(item No.II.C)

ORDER

Vide paper read first above, the Director, School of Distance Education requested to forward the syllabus of the proposed P.G. Diploma in Foreign Trade course

The Chairman, Board of Studies in Economics (P.G) vide paper read second above was requested to prepare the syllabus of P.G. Diploma in Foreign Trade

The Chairman, Board of Studies in Economics (P.G) prepared the scheme and syllabus of the P.G. Diploma Course in Foreign Trade and the Board of Studies vide paper read third approved the same.

The minutes of the meeting of the Board of Studies in Economics (PG) was approved by the Faculty of Humanities and Academic Council vide paper read fourth and fifth above.

Sanction is therefore accorded for implementing the Scheme & Syllabus of P.G. Diploma course in Foreign Trade (Correspondence Course) to be conducted through School of Distance Education with effect from 2008 admission.

Orders are issued accordingly.

The Scheme and Syllabus appended.

Sd/-

DEPUTY REGISTRAR (G&A-I)

For REGISTRAR.

To

The Director,
School of Distance Education.

Copy to:

4. The Controller of Examinations.
5. EX Section / G.A.I.F. Sec
6. DR/AR – PG Section / Tabulation Section/AR/DR.

Forwarded/By Order


SECTION OFFICER

PG Diploma in Foreign Trade

(Correspondence Course)

Regulations

The newly introduced PG Diploma course in Foreign Trade (Correspondence Course) is designed to offer specialized studies in the area of Foreign Trade which is an emerging area. The course is structured to give adequate training in the theories of foreign trade together with an in depth understanding of problems and procedures in foreign trade.

Essential Qualifications for Admission: Degree in all subjects of Humanities branch and graduates in Mathematics, Statistics, Business administration, Commerce and Travel and Tourism with minimum 50% Marks.

Duration of the course: One Year

The Scheme of Examination

At the end of the first year there will be University examinations in six papers as specified below:

Name of Paper	Maximum Marks	Duration Hours
Paper I. Foreign Trade – Theory and Policy	100	3
Paper II. International Finance	100	3
Paper III. International Marketing	100	3
Paper IV. International Business Management	100	3
Paper V. Logistics Management	100	3
Paper VI. Export Import Procedures and Documentation	100	3

Grading: In each paper minimum of 40% is required for passing the examinations. At the aggregate level those securing between 40% & 49% will be placed in third class, those securing between 50% to 59% in second class and those securing 60% and above as first class.

SYLLABUS

Foreign Trade: Theory and Policy - Paper I

- I. Introduction: Importance of International trade to development, Current international economic problems.
- II. International Trade Theories: Law of comparative advantage, Standard Theory of international trade, Demand and Supply Offer curves and Terms of trade factor endowments and Heckscher – Ohlin theory Economies of Scale, Imperfect competition and international trade, Economic growth and international trade.
- III. Trade Policy: Arguments for trade restriction, Tariffs (concept, Types, effective rate of protection, tariff and welfare effects), Non tariffs barriers (import data, tariff rate quota, subsidies, dumping, other non tariff barriers, New protectionism and economic integration, political Economy of trade policy, Trade policies in developing countries.
- IV. Terms of trade: Concepts, Mills doctrine, offer curve and equilibrium terms of trade effects of changes in supply and demand on terms of trade, influences on terms of trade.
- V. International institutions: GATT (The GATT system, trade negotiations) WTO (objectives), functions and implications on trade, Impact on developing countries

References

Robert J Car Baugh – International Economics Sodersten and Geoffrey Reed – International Economics.
Paul R Krugman and Maurice Obstfeld – International Economics.
M.L. Varma – Trade Management in India Vikas Publishing House.
S.K Modwel and M.L.Varma – Export Efforts of India, IIFT, New Delhi
Dominick Salvatore – International Economics, Pentice Hall International

International Finance - Paper II

- I. National income accounting and BOP NIA for an open economy, Balance of payments debits and credits, double entry book keeping, Balance of payment structure, BOP surplus and deficits, Balance of international indebtedness.

- II. Exchange rates and the foreign exchange market - Exchange rate and international transactions (domestic and foreign prices, exchange rate and relative prices), Real exchange rate, the effective exchange rate Foreign exchange market (The actors, characteristics of the market, spot and forward rates, foreign exchange swaps, futures and options, foreign exchange risks, hedging and speculations) forecasting foreign exchange rates

Fixed vs flexible exchange rates – The Traditional arguments, the Modern view, The experience of managed float, The vicious circle of depreciation Inflation.

- III. Exchange rate determination - Purchasing power parity theory, Monetary approach to balance of payments and exchange rates, expectations, interest differentials and exchange rates, Asset market model and exchange rates, exchange rate dynamics.

- IV. International monetary system: Nature of international reserves, supply and demand for international reserves, Facilities for borrowing reserves, (IMF borrowings, general agreement to borrow, sweep arrangements, compensatory finance for exports, of facility Buffer stock financing facility), The problem of international debt, The theory of optimum currency areas (The traditional approach, The cost benefit approach, The New theory) Monetary unions. The financial crisis (nature and dimensions), Euro currency markets.

References

1. Ganarlio Gandolfo – International Finance and Open economy macro economics.
2. Dominick Salvatore. International Economics.
3. B.O. Sodesten – International Economics
4. Francis cherunilam – International Economics, Tata Mc Graw Hill Companies.

International Marketing - Paper III

1. Global market and its Participants in International Marketing:

Importance, Growth and Benefits – International Market place – size goods and Services – Major Participants – Multinational Corporations, banks, insurance companies and trading companies – Implications for International Marketing Management.

II. International Market selection and market entry strategies – Market selection process, Determinants of market selection, evaluation matrix, market profile, market segmentation selection.

Exporting, Licensing and franchising, contract manufacturing, Management contracting, Turnkey contracts, fully owned manufacturing facilities, Assembly operations, joint ventures, Third country location, Mergers and acquisitions, strategic alliance, counter trade.

II. International product policy – Product decision product mix, product life cycle, sequential pattern of industrialization, new product development, branding, packaging and labeling, business environment and product strategies, alternative product strategies, product communication strategies, globalization vs. localization.

III.

IV. International pricing – Exporters costs, pricing objectives, factors affecting pricing, pricing methods/approaches, Transfer pricing, Dumping, steps in pricing, Retrograde Pricing, export price structure, export price quotations and inco terms, information requirements for export pricing.

V. Overseas Marketing channel: Polly and physical Distribution – Managing International Distribution Channels Distribution channels in different markets – Multinationals Retailers and Wholesalers – physical distribution and its management. International Product Policy and Issues in International Marketing Products across Borders — Contemporary Issues in International Marketing – Future of International Marketing – Problems and Prospects.

References

- V.K. Kripalani, International Marketing, Prentice Hall of India, New Delhi
- RLI Varshey and B. Bhattacharya, "International marketing management" An Indian Perspective
- Battachara: Yd. Export Marketing, Strategies for success
- Keegen, Warren and Mark Green: Global Marketing Prentice Hall of India, New Delhi.
- Catero, Philip R and John Graham, International Marketing, Tata Mc Graw Hill, New Delhi.

International Business Environment - Paper IV

1. International Business: An overview – means of engaging in international business – external influences of international business – the human and cultural environments facing business. Political system and business environment – impact of political system on economic and business environment.
2. Country evaluation and selection – scanning for alternative influential variable – Return on Investment – country company consideration.
3. Impact of the Multinational enterprises – evaluating the impact – economic impact, operational and political impact of International Business.
4. The growth and problems of Multinational corporations – Reasons for the growth of MNCs – special problems – Transfer pricing – Problems and benefits from the growth of MNCs
5. Scanning International Business Opportunities - opportunities less developed countries and developed countries.

References

Francis Cherunilam, International Business Environment

Charles Mitchell 0- International Business Culture, World Trade Press, California.

Lillian It. Chaney and JS Martin, International Business, Communication, Prentice Hall.

Philip Kotler Marketing Management, Prentice Hall of India.

Philip R Cateora and John L Graham, International Marketing, Tata Mc Graw Hill.

VK Bhalla, S. Shivarama, International Business Anmol Publications Pvt Ltd

Logistics Management - Paper V

1. Marketing logistic system: concept, objective and scope – system elements, Importance and relevance to export marketing management.
2. General trends in shipping industry: Characteristics of shipping industry – Linear operations and tramp operations – World seaboard trade and world shipping, the conference system, freight structure and practice.
3. Co-ordination – Role of intermediaries – forward and clearing agents, Freight brokers, stevedores and shipping agents, Chartering principles and practices: Arrangements for shipment of government controlled cargos – organization and functions of Transchart.
4. Technological developments in ocean transportation:

Containerization, concept operation of the system, container freighting – inland container depots, problems and prospects. International air transport: International setup for air transport – Air freight Rte Air transport and PDM approach to export distribution problems and prospects.
5. Quantitative applications in Logistic management – Transportation problem, Assignment problem, shortest path problem, Minimum spanning Tree Problem, Net work Flow technique.

References

- Daniel Mark Jr., Shipping Cartels: Study of typing arrangements of shipping conferences: IIFT
- Bowersox D.J. and Closs D.J. Logistics Management: A System Integration of Physical Distribution, Tata McGraw Hill, New Delhi 1996.
- Beal KA Management Guide to Logistics Engineering, Institute of Production Engineering USA 1990.
- Benjamin SB, Logistics Engineering and Management, Prentice Hall Inc, Englewood Cliffs, New York 1996.
- Christopher, M Logistics and Supply Chain Management, Strategies for Reducing Costs and Improving Services Pitman, London 1992
- James CJ and Wood, Donald F Contemporary Logistics, Macmillan, New York 1990.
- Shapiro, R Logistics Strategy: Cases and Concepts West, St. Paul 1995.

Export Import Procedures and Documentation - Paper VI

Export -- Import documentation Polices

Trade regulatory frame work, export sales contract, Export Import documents, Electronic data interchange system, Processing of an export order.

II. Terms of payment and financing practices – Terms of payment, exchange control regulations and facilities for export, export financing, export credit insurance, Import finance.

III. Trade operations – preparing for shipment, cargo insurance, shipment of export cargo, custom clearance of import cargo'

IV. Export assistance and support Measures – International set up for export promotion, Export assistance in India, Procedures for claiming export assistance

References

Central Excise rules, Govt. of India, New Delhi.

Export Import Policy, Ministry of Commerce, Govt. of India, New Delhi

Nabhi's Exporters Manual and Documentation, Nabi Publications, New Delhi. (Latest)

Nabhi's New Import Policy, A Nabhi Publications, New Delhi. (Latest)

B.S. Rathor, J.S. Rathor, International Marketing, Himalayan Publishing House.