

MASTER OF COMMERCE IN FOREIGN TRADE
M.Com (Foreign Trade)

COURSE STRUCTURE

Paper Code	Paper No.	Name of the Paper
FIRST YEAR		
H1010	I	Management Concepts
H1020	II	International Marketing
H1030	III	International Monetary Economics
H1040	IV	EXIM Financing and Documentation
H1050	V	International Business Environment
SECOND YEAR		
H2010	VI	FOREX Management
H2020	VII	International Project Management
H2030	VII	Foreign Trade Policy
H2040	IX	Management of Multinational Corporations
H2050	X	Logistics Management

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COURSE CODE: 26

PAPER CODE: H1010

FIRST YEAR

PAPER – I - MANAGEMENT CONCEPTS

UNIT I	Nature and Process of Management: Management as Science, Art and Profession – Professionalisation of Management in India – Current Trends – Management Levels vis-à-vis skills.
UNIT II	Manager and Environment: Systems Approach to Management Responsibilities of Management.
UNIT III	Planning: Principles of Planning – Types of Plans – Steps in Planning – Limitations of Planning.
UNIT IV	Decision-making Models and Techniques – Management By Objectives [MBO] – Policy Formulation.
UNIT V	Organising Process: Organisation Structure and Design – Span of Management – Delegation and Decentralisation – Line and Staff Relationships.
UNIT VI	Essentials of directing: Motivation Techniques – Leadership Styles – Communication Process.
UNIT VII	Controlling: Process of Control – Prerequisites of Controlling Systems – Methods of Controls.
UNIT VIII	Comparative Management Styles with Special Reference to Japanese Management Practices – Organisational Creativity and Innovation – Entrepreneurial Management.

Reference Books

1. Harold Koontz & Heinz Weirich: Management, McGraw Hill, Tokyo.
2. Stonier & Wankel: Management, Prentice Hall India Ltd., New Delhi.
3. Richard M. Hodgets: Management, Academic Press, New York.
4. Hampton: Management, McGraw Hill, Tokyo.
5. Peter F. Drucker: Practice of Management, Pan Books, London.

PAPER – II - INTERNATIONAL MARKETING

UNIT I	Global Market and its Participants in International Marketing: Importance, Growth and Benefits – International Market place – Size Goods and Services – Major Participants – Multinational Corporations, Multinational Banks and Insurers, International Trading Companies – Implications for International Marketing Management.
UNIT II	International Trade and Monetary System – International Trading Framework – General Agreement on Tariff and Trade – Balance of Payments – International Monetary Fund – European Monetary System – Aid for development.
UNIT III	International Marketing Opportunities: Opportunities in Developed Countries – North America and Western Europe, Japan, Australia, New Zealand and South Africa – Opportunities in Least Developed Countries, OPEC, Latin America, Caribbean, Middle East and Africa, South Asia and China.
UNIT IV	International Marketing Strategy: International Marketing Information System and Research – International Market Potential Assessment – Strategy Formulation – Methods of Entry – Ownership and Contractual Agreements.
UNIT V	International Product Policy: Product Positioning in Foreign Markets – Product Standardisation and Adoption – Brands, Trade marks, Warranties, Service, Packaging and Labeling – International Marketing of service products.
UNIT VI	International Product Promotion Policy: Promotion and Product Positioning – Advertising worldwide – An Overview of International Advertising – Standardisation Vs Adoption – Developing International Advertising Strategy – Management of Advertising Function – International Sales Force and their Management – Other Forms of Promotion.
UNIT VII	Overseas Marketing Channel: Policy and Physical Distribution – Managing International Distribution Channels – distribution channels in Different Markets – Multinational Retailers and Wholesalers – Physical Distribution and its Management.
UNIT VIII	International Product Pricing Policy and Issues in International Marketing Products across Borders – Export Pricing – Multinational Corporation Pricing Policy – Contemporary Issues in International Marketing – Future of International Marketing – Problems and Prospects.

Reference Books

1. V.K. Kirpalani: International Marketing.
2. R.L. Varshney and B. Bhattacharya: International Marketing Management, An Indian Perspective.
3. John Fayerweather: International Marketing.
4. B. Bhattachary: Export Marketing, Strategies for Success.

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PAPER – III - INTERNATIONAL MONETARY ECONOMICS

UNIT I	Introduction – Subject matter of International Economics – Basis of Trade – Free Trade Vs. Restricted Trade – Focus on Monetary side of International Transactions.
UNIT II	Balance of Payments: Foreign Exchange Market – Preliminaries of BOP and Foreign Exchange markets – Foreign Exchange risk, Hedging and Speculation – Introduction to Exchange Rate Theories.
UNIT III	Open Economy: Macro Economics – Price Adjustment Mechanism under Fixed and Flexible Exchange Rate Systems.
UNIT IV	Open Economy: Macro Economics – The Income Adjustment Mechanism – Income Determination in Open Economy – Foreign Trade Multiplier Absorption Approaches.
UNIT V	Open Economy and Macro Economics – Adjustment Policies – Meade and Mundell Fleming Models.
UNIT VI	The Monetary and Portfolio Approaches – Exchange Rate Dynamics.
UNIT VII	Fixed Vs Flexible Exchange Rate Controversy – The Pros and Cons of the Alternative Exchange Rate System.
UNIT VIII	The International Monetary System – Past and Present.

Reference Books

1. Dominick Salvatore: International Economics, Macmillan, 1987.
2. Bo Sodersten: International Economics, 1993,
3. Manur: International Economics.

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PAPER – IV - EXIM FINANCING AND DOCUMENTATION

UNIT I	Export Finance and Payments – Export credit – methods and sources of credit – methods of payment – counter track.
UNIT II	International Trade and International Finance – Trade and Balance of Payment – current items – capital items – Components of International Financial system – Foreign exchange market – Euro-currency market – IMF and International monetary system.
UNIT III	Trade Finance model – Fundamental principles – Practical applications of the Trade Finance model – Financing Foreign receivables – advances against collections – Discounting trade acceptances – Funding with Bankers’ acceptances.
UNIT IV	Institutional support for Export Finance in India – RBI – Commercial banks – IDBI – Export Credit and Guarantee Corporation (ECGC) – Export Import Bank.
UNIT V	Assistances and Incentives to Indian Exporters – Marketing Development Assistance – Cash Compensatory Scheme – Duty Draw-back Scheme – Replenishment Licensing Scheme – Duty Exemption Scheme – Export Pass Book Scheme – Infrastructural facilities.
UNIT VI	Management of Risk in international marketing – Types of Risks – Financial cover-up of Commercial risk – Political risk – Risk arising out of foreign laws – Cargo risk – Credit risk – Exchange fluctuation risk.
UNIT VII	Export – Import Procedure and Documentation.
UNIT VIII	Foreign Aid and Term Lending – Theory of Foreign Capital Flow – Criteria governing aid – Types of aid – Government Policy guidelines – International long-term lending - World Bank – IDA, IFC, BIS, ADB.

Reference Books

1. Jane Kingman, Brundage Susan A. Schulz, The Fundamentals of Trade and Finance, Wiley Interscience Publication, New York.
2. V.A. Avadhani International Finance: Theory and Practice, Himalaya Publishing House, Delhi.
3. M.J. Mathew, Management of Export marketing, RBSA Publishers, Jaipur, India.

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PAPER – V - INTERNATIONAL BUSINESS ENVIRONMENT

UNIT I	International Business: An overview – means of engaging in International Business – external influences of international business – the human and cultural environments facing business.
UNIT II	Political Systems and Business environment – Different Political systems of the world – Impact of political systems on economic and business environment – Case studies – The USA, Japan, UK, Germany, China and India.
UNIT III	Country evaluation and selection – scanning for alternative – influential variable – Return on Investment – Country company consideration.
UNIT IV	Impact of the Multinational enterprises – evaluating the impact of the MNE – economic impact of the MNE – operational and political impact of International Business.
UNIT V	The Growth and special problems of Multinational Corporations – Reasons for the growth of MNCs – Special problems – Transfer Pricing – Problems and benefits from the growth of MNCs.
UNIT VI	International Trade and Monetary System. – International Trading Framework – General Agreement on Tariff and Trade – Balance of Payments – International Monetary Fund – European Monetary System WTO.
UNIT VII	Scanning International Business opportunities – opportunities in Developed countries – North America and Western Europe, Japan, Australia – opportunities in less developed countries, OPEC, Latin America, South Asia and China.
UNIT VIII	Introduction to Foreign Exchange Market Preliminaries – Foreign Exchange risk, hedging and speculation – Introduction to exchange rate theories.

Reference Books

1. John D. Daniels & Lee H. Radebough: International Business Addison Wesley Publishing Company.
2. David S. Kidwell, Richard L. Peterson, David W. Blackwell: Financial Institutes, Market and Money, Harcourt Brace Jovanovion – 1993.

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SECOND YEAR

PAPER – VI - FOREX MANAGEMENT

UNIT I	An Overview of Foreign Exchange, Foreign Exchange Market, Exchange Rate System, Euro Currency Market, Participants in Forex market – Intervention by Central Banks – Exchange Rate System of Global Level – Nature of Euro – Currency Market.
UNIT II	What Makes Exchange Rate Move – Exchange Rate Arithmetic and Merchant Rates. Factors Affecting Ex-rate – Monetary & Fiscal Policy – BOP Approach – Monetary Approach – Chartism Efficient Market Hypothesis: Indian Forex Market – Forward Exchange rate – Forward Exchange Contract – Merchant rates – Types of Rate – Guidelines for Computing the Rate – Forward Bill buying rate – Crystallisation of Export and Import Bills – Early Delivery – Extension & Cancellation of Forward Exchange Contract.
UNIT III	Exchange Swap Cover Operating, Exchange Dealings and Currency Position: What are Currency Swaps – Swap Deals in India – Trading in Swaps – Foreign Exchange Dealing.
UNIT IV	Foreign Exchange Risk and Management Transaction Economics and Transaction Exposure – Internal Techniques of Managing Foreign Exchange Exposure (Such as Setting, matching Leads and Lap etc.,) – External Techniques of Managing Risk (Such as Discounting Foreign Currency Denominated Bills Receivable, Factoring Foreign Currency Denominated Receivable etc).
UNIT V	Exchange rates Arrangements in India – From Basket Pegging to Full Convertibility of Rupee on Current Account – Lessons from Mexican Experience.
UNIT VI	Issues Related to Devaluation in Indian context – Will Devaluation work and deliver the goods?
UNIT VII	Management of Foreign Exchange Reserves, Monetary Policy and fiscal Policy in the present context of Economic Liberalisation and Globalisation.
UNIT VIII	Foreign Trade Contracts Documents Incoterms – Letters of Credit – Meaning – Mechanism, Type, Operations – Documents used in Foreign Trade – Transport Documents.

Reference Books

1. David S. Didwell, Richard L. Peterson, David W. Blackwell: Financial Institutes, Market and Money, Harcourt brace Jovanovion, 1993.
2. H.P. Bhardwaj: Foreign Exchange Handbook, Wheeler Publishing, 1994.
3. Bibek Debroy: The Convertible Rupee & How to Profit from it, Global Business Press.
4. C. Jeevanandam: Foreign Exchange, New Delhi, Sultan Chand & Sons 1994.
5. A Guide to Forex Dealing and Operating, Published by State Bank of Hyderabad, 1993.

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PAPER – VII - INTERNATIONAL PROJECT MANAGEMENT

- UNIT I International Project Management
An overview – understanding Project Management – Project Management and the International Business Environment. The growth of Project Management – Special Features of Future International Projects.
- UNIT II An Introduction to Project overruns – General causes of Project overruns – Sound management Practices necessary to combat overruns.
- UNIT III Technical and Financial Feasibility Studies and Appraisals – Project Identification in the International Environment – Pre-feasibility Report and its clearance – Estimates and Techno Economic Feasibility Report (TEFR) – The Role of Inter-related Projects (Multi-project) – Preparation of Detailed Project Reports.
- UNIT IV Introduction to International Project Financing – External Commercial Borrowings – External Aid in Projects – Assistance from International Finance Corporations – Free Foreign Exchange from Foreign Exchange Dealers and loans from Developments Banks.
- UNIT V Technology Transfer and Foreign Collaboration – The Scope of Technology Transfer – The Choice of Technology – The Phases and Terms of Technology Transfer – The R&D Connected with Technology Transfer – The Indian Government Policy and Procedure for Foreign Collaboration.
- UNIT VI Project organizing in the International environment – Programming – Scheduling – Project organization – Project Budget and Fund Flow statement – Controlling system.
- UNIT VII CPM and other Project Planning Techniques in the International Environment – Origin of Bar chart CPM/PERT – Study of CPM – Bar Charts – Precedence Network – Line of Balance – Computer Based Project Planning.
- UNIT VIII Project control in the International Environment – Time and Cost control Tools and Techniques – Project cost and Budgetary control – Fund Flow control – The Earned Value Concept (EVC) – Method of Performance Reporting – Corrective and Preventive Actions – International Risk Management as a control function.

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PAPER – VIII - FOREIGN TRADE POLICY

UNIT I	Foreign Trade – Importance, Growth and Benefits – Scope of Foreign Trade – Major Beneficiaries of Foreign Trade – Multinational Corporations, Multinational Banks and Insurers, International Trading companies – Implications and repercussions of Foreign Trade Policy in the International Business Environment.
UNIT II	Development of Foreign Trade Policy – India’s Foreign Trade since 1951 – Objectives of Policy – Salient Features of Policy – Recent changes in Foreign Trade Policy.
UNIT III	Policy governing support of Indigenous Industry – Technological upgradation – Non Resident investments – Savings in imports – Export promotion – Impact of the recent foreign trade policy.
UNIT IV	Export Scanning – Analysis of India’s Exports – Analysis of Export oriented Industrial units – Joint Ventures – Foreign direct investments – Foreign collaborations – Import substitution.
UNIT V	Fiscal incentives for Export Promotion – Export Incentives and subsidies – concessional Finance – Excise and customs exemption – other tax exemptions – cash compensatory assistance.
UNIT VI	Export Promotion – Free Trade Zones – Development and Administration – Incentives and Infrastructural facilities – Study of the importance of free trade zones in India – International trade fairs and exhibitions – Trade Fairs in India – Trade Fair Authority – Export Processing Zones.
UNIT VII	Service Organisations for Export Promotion – Commodity Boards – Export Promotion Councils – Trade Development Authority – Department of Commercial Intelligence and Statistics – Government Trade Representatives Abroad – Federations of Indian Export organizations – Indian Institute of Foreign Trade.
UNIT VIII	State Trade: Role and Objectives, Performance of STC, Subsidiaries of STC – Minerals and Metals Trading Corporation (MMTC), Handicrafts and Handlooms Export Corporations (HHEC) - The Tea Trading Corporation of India (TTCI) – Project Equipment Corporation (PEC) – Central Cottage Industrial Corporation (CCIC) – Cotton Corporation of India (CCI).

Reference Books

1. Foreign Trade Management in India – M.L. Varma – Vikas Publishing House, New Delhi, 1993.
2. Export Efforts of India – S.K. Modwel and M.L. Varma, Published by Indian Institute of Foreign Trade, New Delhi, 1994.
3. Import and Export Policy (1992-97), Ministry of Commerce, Government of India.

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PAPER – IX - MANAGEMENT OF MULTINATIONALS CORPORATIONS

UNIT I	Towards Global Economy: Development of an Analytical Framework on Money, Trade, Growth, Open Economy – Exchange Rates – Capital Flows Role of International Capital Flows and Emergence of MNCs.
UNIT II	Liberalisation Attempts in LDCs (Less Developed Countries) and MNCs: Illustrations from Indian Economy's Experience.
UNIT III	The Growth and Special Problems of Multinational Corporations – Reasons for the growth of MNCs – Special Problems – Transfer Pricing – Country Risk – Problems and Benefits from the growth of MNCs.
UNIT IV	Euro Dollars, Euro Currencies and Multinational Banking – Euro Dollar and Euro Currency Markets – Organisational Features of International Banking – Why Banking has become Multinational? – The Problems of Multinational Banking.
UNIT V	International Dimensions of Cash Management – Advantages of Centralised Cash Management – Disadvantages – Market Efficiency – Designing Global Remittances Policy – Transfer Pricing.
UNIT VI	Portfolio Investment and International Aspects of Long Term Financing. Equity Investments – Bond Investment – Equity Financing – Bond Financing – Multi-Currency Bonds – Factors affecting the Financing of Subsidiaries – Financial Structure.
UNIT VII	Evaluation and Explanation of Foreign Direct Investment Capital Budgeting – Difficulties in Evaluating Foreign Projects – Factors Affecting Investor's Cash Flows – The Adjusted Present Value Technique – Selecting the Appropriate Discount Rates – Actual Practices of Capital Budgeting.
UNIT VIII	Operating Exposure The Exporter – Competitive Market in Short-run – Long-run Effects – Imported Inputs – The Case of Imperfect Competition – Analysis in Foreign Currency Units – The Importer – Analysis in Home Currency and Foreign Currency Units – Effects of Exchange rate changes on Exporters and Importers, Effects of Currency of Invoicing and Forward Hedging.

Reference Books

1. Vinano, R. Erruna *et. Al*: International Business Finance, Global Business Press, 1994.
2. Rodriguez Rita M.E. Eugene Cater: International Financial Management, Prentice Hall, 1985.
3. JB Holland: International Financial Management, Basil Black well, 1996.
4. Ronald M. McKinnon: Money in International Exchange: The Convertible Currency System, Oxford University Press, 1979.
5. Bibek Debroy: The Convertible Rupee and how to profit from it, Global Business Press, 1993.

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PAPER – X - LOGISTICS MANAGEMENT

UNIT I	Marketing logistics system: concept, objective and scope – System elements, Importance and relevance to export marketing management.
UNIT II	General trends in shipping industry: Characteristics of shipping industry – Linear operations and tramp operations – World seaborne trade and World shipping, the conference system, freight structure and practice.
UNIT III	Co-ordination – Role of intermediaries – Forward and clearing agents, Freight brokers, stevedores and shipping agents.
UNIT IV	Shipper – Ship owner consultation arrangements: The need, scope and machinery for consultations; types of consultation machinery – All India shippers' council, Shippers associations and FIB and various standing committees set up for resolving shippers' problems, UN convention on code of conduct for linear shipping conferences.
UNIT V	Chartering principles and practices: Arrangements for shipment of government controlled cargoes – Organisation and functions of transchart.
UNIT VI	Technological developments in ocean transportation: containerization, concept, operation of the system, container freighting – inland container depots, problems and prospects.
UNIT VII	International air transport: International setup for air transport – Air Freight Rate – Air transport and PDM approach to export distribution problems and prospects.
UNIT VIII	Quantitative applications in Logistics Management – Transportation Problem, Assignment Problem, Shortest Path Problem, Minimum Spanning Tree Problem, Network Flow Technique.

Reference Books

1. Shipping Cartels: Daniel Mark Jr.
2. Study of typing arrangements of shipping conferences: IIFT
3. Chartering Practice: J. Bes
4. Physical Distribution: Magee
5. System approach on problems of shipping and export strategy for the 80's: IIFT
6. Freight tariffs and practices of shipping conferences: IIFT
7. Dictionary of Shipping and Chartering terms: IIFT
