

SEMESTER III

Course Title: INTERNATIONAL CURRENCY MANAGEMENT

Course Code: IB707

Course Objectives:

Each entity engaged in international business activity needs foreign currency. The course aims to introduce students to the basics of currency risk, trading and its management in international business transactions/operations. The course will involve understanding the need for international currencies, types of associated risks, an idea of the trading mechanics in Indian & International Currency Markets, linkages to Money Markets, Interest rates, Economic and World events. The course will also teach how to manage currency risk and impart knowledge of the Mitigation Tools (Forwards/Futures/Options/Swaps) and strategies (Hedging/Speculation/Arbitrage) which traders or businesses can adopt.

Course Contents/Syllabus:

Module I: Importance of International Currency Management in Global Business

Importance of foreign currencies in International Trade & Business. Volume, Participants, Risk from Currency Volatility and experiences of MNC's in cross border transactions. Role of market-makers.

Module II: Introduction to International Currency Markets & Terminologies

Spot and Forward Markets, Trading Terminologies & Mechanism, Currency Convertibility, Major/Minor currencies. ISO Currency codes, linkages to other Global Markets & Events, Interest Rates, benchmarks LIBOR/MIBOR. RBI compliance for Remittance.

Module III: Calculation of Currency Rates

Exchange Rate Determination – Bid/Ask, Margins, spread. Cross-currency calculations – Practice exercise on the arithmetic of various currencies. Interest Rate & Purchasing Power Parity, Negotiating rates for inflow/outflow for different international transactions.

Module IV: Currency Risk/Exposure & Trading Strategies

Transaction, Translation and Operating Exposure. Trading Strategies for Hedging, Speculation & Arbitrage.

Module V: Currency Risk Mitigation & Management Tools

Concept of Hedging. Hedging strategies of Corporates. Currency Risk Management using Currency Derivatives like Forwards, Futures, Options & Swaps.

Text & References:

- Apte P.G. , International Financial Management, Tata McGraw-Hill Publication
- Copeland, L.S. (2013), Exchange Rates & International Finance, Pearson Education
- Thummuluri Siddaiah , International Financial Management, Pearson Education

- Levi, M.D. , International Finance, McGraw Hill International
- Errunza, V.R., Singh, D. and Srinivasan, T.S. , International Business Finance, Global Business Press
- Hull, J.C. , Introduction to Futures and Options Markets, Prentice Hall of India
- Edwards, F.R and Ma C.W. , Futures and Options, McGraw-Hill International.
- Kolb, R.W. , Understanding Futures Markets, Prentice Hall of India
- Rebonato, R. , Interest Rate Option Models: Understanding, Analysing and Using Models for Exotic Interest Rate Options, John Wiley and Sons
- Kohn, M, Financial Institutions and Markets, Tata McGraw Hill Publishing

Course Title: WTO AND INTERNATIONAL REGULATORY ENVIRONMENT

Course Code: IB708

Course Objectives:

The primary objective of this course is to focus on the role of International Trade Institutions in promoting international Trade. The course also focuses on rapidly expanding legal system of the World Trade Organization (WTO) and also to provide a basic insight into the institutional and substantive law of the WTO.

Course Contents/Syllabus:

Module I: Role of International Institutions in International Trade

World Bank, IMF, WTO, UNCTAD, International Trade Centre (ITC), Geneva, USTR (United State Trade Representative), CBI (Centre for Promotion of Imports from Developing Countries)

Module II Origin of WTO

Evolution of GATT, From GATT to WTO, Multilateral and Plurilateral Agreements, Principles of GATT, Exceptions to WTO Commitment

Module III Regulatory Frame work of WTO

Sanitary and Phytosanitary Measures, Technical Barriers to Trade, Safeguards, Rules of Origin, Agreement on Agriculture, Agreement on Textile and Clothing, Subsidies and Countervailing Measures, Trade Related Intellectual Property Rights (TRIPS), Trade Related Investment Measures (TRIMS)

Module IV General Agreements on Trade and Services

Objective and Need for GATS. Services covered under GATS, Obligations, Commitment and Schedules under GATS, Special and Differential Treatment under GATS

Module V Dispute Settlement Mechanism

Stages in Dispute Settlement Mechanism, Procedure for Appeal, Implementing Recommendations of DSB

Text:

- Rao, M B & Guru Manjula, WTO and International Trade, Vikas Publication, 2001

References:

- Barua Alokesh, Stern Robert M, WTO and India
- Mattoo Aaditya, Stern Robert Mitchell, India and the WTO, Oxford University Press, (2003),
- Qureshi Asif Hasan, Interpreting WTO agreements: Problems and Perspectives, Cambridge University Press (2012),
- Ezeani Elimma C., (2011), The WTO and its development obligation: prospects for global trade, Anthem Press,

- Das Bhagirath Lal, WTO: The Doha Agenda : The new negotiations on world trade, Zed Books, (2003)
- Bhaumik T. K., The WTO: a discordant orchestra, Sage Publications, (2006)
- Mathur, Vibha, WTO and India, New Century, New Delhi, 2005
- Garg, Hema, W T O and regionalism in world trade, New Century Publications, New Delhi, 2003
- Chauhan Sandeep-GATT to WTO – Deep & Deep Publication Pvt. Ltd., 2001 Edition
- Online references available on WTO website
- Introduction to the WTO

Course Title: GLOBAL COMMODITY TRADE

Course Code: IB709

Course Objectives:

Commodities like cereals, crude oil, coffee, sugar, gold, rubber, cotton etc dominate global trade. The course imparts knowledge of which countries dominate world production/ export/ import of various commodities, familiarity with the function and mechanism of Indian and International Commodity Exchanges, identification of commodity risks faced by suppliers & consumers of commodities and suitable strategies to mitigate commodity market risk.

Course Contents/Syllabus:

Module I: Introduction to Commodities & Top Commodity Producing & Trading Countries

Changing Int'l Trade scenario & in 21st Century, Commodities – Definition, Features, Types, History, Participants, Structure & systems of commodity trade, Top Exporter & Importer countries of World's most traded Agri commodities, Crude oil, Gold, Silver etc, India's place in World Commodities

Module II: World's Commodity Exchanges

World's Major Commodity Exchanges - USA, Canada, Latin America, Europe, China, Asia, Africa & Oceanic □ History, Shareholding pattern, Products & Contract specifications of Commodities traded on world's top Commodity Exchanges

Module III: Indian Commodity Exchanges

Turnover, Evolution, Forward Market Commission, Contracts Act, Regional & National Commodity Exchanges, Structure, Shareholding, Turnover, Products Traded on National Exchanges MCX, NCDEX, NMCE, ICEX, ACE, UCX, Case study on National Spot Exchange Ltd (NSEL)

Module IV: Commodity Derivatives

Derivatives - Definition, Types, OTC vs Exchange Traded, Participants, Evolution, Economic Functions & benefits, Risks, Commodity Futures & Options - Characteristics, Terminologies, Margins, Physical Delivery, Assignment, Warehousing, Quality specifications, Membership, Charges, Trading, Clearing & Settlement, Strategies for Hedging, Speculation & Arbitrage, Types of Orders, Difference between & Options & Futures, Right/Obligation of Buyer/Seller, Call/Put Options

Module V: World's Most Traded Commodities

Presentations on Cotton, Edible oils (Rapeseed, Soy, Palm Oil), Tea, Coffee, Sugar, Wheat, Crude Oil, Steel, Rice, Pulses, Rubber, Gold, Silver, Copper etc - World Trade, India's share, Production, Global demand & supply, Consumption & price patterns, Quality, Trading, Contract specifications, substitutes etc.

Text & References:

- Niti Nandini Chatnani,Commodity Markets - Operations, Instruments and Application, Tata McGraw Hill Education Private Limited, New Delhi
- NCDEX Institute of Commodity Markets & Research (NICR), Study Manual for Commodity Trading

Course Title: International Business Negotiation

Course Code: IB713

Course Objectives:

The central aspect of international business involves negotiation: the establishment of the terms under which a business transaction will take place. Negotiation involves techniques, procedural steps, tactics and strategy. You must have an understanding of the role of authority, power and influence in negotiation. International negotiation involves a further factor—the role of culture. Culture has an impact on how negotiations are conducted and what behaviors are and are not acceptable and effective.

Course Contents/Syllabus:

Module I International Negotiation in Theory and Practice

Theory, processes, and practices of negotiation. The Nature of Negotiation. Negotiation framework. Negotiation strategies & tactics, Strategy: Distributive Bargaining and Integrative Negotiation. Who Negotiates? New Players in the Old Game. Obstacles to Negotiation and Negotiation Phases: Pre-negotiation and problem-solving, bargaining and post-agreement negotiations

Module II The Process of Negotiation:

Negotiation analysis and planning. Negotiating in groups. Negotiation sub-processes, Perception, Cognition and Emotion, Drivers of Negotiation Process. Communication, Finding and using negotiation Power. Influence: Routes to Influence, Role of Receivers in Influence, Ethics in Negotiation

Module III Multi-Issue Negotiations & Multiparty Negotiations :

Relationships in Negotiation. Key Elements in Managing Negotiations within Relationships. Parties in Negotiation: Coalitions, The nature of Multi-party negotiation. Negotiation in the Age of Information and Technology. Third-Party Mediation and Negotiation : Types and Roles- The Role of Violence : Negotiation in the Midst of Violence

Module IV International Negotiation Environment & Culture

International negotiation environment & international negotiator behavior, Negotiation with : Japanese. Chinese. Europeans. Americans. Indians, Managing negotiation complexity, International negotiation best practice

Module V Endgame: Closure and Planning for Implementation

Planning for Implementation. Art of Closing. Changes and challenges ahead. Strategies to cope with changes and challenges

Text:

- Negotiation: everyone must win-S L Rao, Excel Books

References:

- Lewicki, Roy J., Bruce Barry, and David M. Saunders. 2007. Essentials of Negotiation (4th Edition). Boston: McGraw-Hill Irwin.
- Fisher, R., Ury, W.L., & Patton, B. Getting to Yes: Negotiating Agreement Without Giving In 2nd Edition. New York: Penguin Books, 1991. Reserve: BF637.N4 F57 1992
- Lax, David A. and James K. Sebenius (2006) 3D Negotiation: Powerful Tools to Change the Game in Your Most Important Deals. Boston Harvard Business School Press. Reserve: HD58.6.L388 2006
- Salacuse, J.W. The Global Negotiator: Making, Managing, and Mending Deals Around the World in the Twenty-first Century . New York: Palgrave Macmillan, 2003. Reserve: HD58.6 .S246 20
- Adopting a Dual Lens Approach for Examining the Dilemma of Differences in International Business Negotiations. Tinsley, Catherine H.; Curhan, Jenifer J.; Kwak, Ro Sung | International Negotiation | 1999:1, | 5(18)
- Negotiating the Spirit of the Deal. Fortgang, Ron S.; Lax, David A.; Sebenius, James K. | Harvard Business Review | 2003-0281:2,

Journals:

- Harvard Business Review
- Conflict Resolution Quarterly
- Journal of Conflict Resolution
- Journal of Peace and Research
- International Negotiation Journal
- Negotiation Journal

Course Title: INTERNATIONAL BUSINESS AND PRACTICE

Course Code: IB602

Course Objectives:

This course provides a comprehensive overview of the role that international business plays in the global economy. This knowledge shall help to understand the complexities, risks and opportunities of international business and provide a global perspective on international trade, including foreign investments, impact of financial markets, international marketing, and the operation of MNC's. Students would get to know business practices organizations adopt to tap global opportunities. It will also create awareness on career opportunities that exist in international business and MNC's.

Course Contents/Syllabus:

Module I: Globalization & Multinational Corporations

Int'l Business in 21st century; World's Top Economies. Globalization - Meaning and implications; Drivers of Globalization; The globalization debate - arguments for and against. Multinational Corporations- Definition, Types, Organization, Design & Structures, Head quarters and Subsidiary relations ; EPRG Model

Module II : Introduction to International Marketing

Differences between domestic and international business; Different Modes of entry into international markets – Factors & Types – a) Export & b) Production Abroad. Export – Indirect and Direct Export. Production Abroad - Assembly/Contract Mfg, Licensing, Franchising, Joint Ventures, Mergers & Acquisition, Wholly owned subsidiary.

Module III: Introduction to International Trade

Theories- Theory of Mercantilism, Absolute advantage, Comparative Advantage, Heckscher-Ohlin theory, The New product life cycle theory, The New Trade theory, Porter's Diamond Model ; Tariff & Non-tariff barriers. GATT, WTO, TRIPS, TRIMS, GATS, Ministerial Conferences, WTO round of negotiations.

Module IV: International Business Environment

External Environment - STEEPLE / PESTLE Analysis. Implication of environment differences due to Economic, Social, Political, Legal, Cultural variations. Hofstede Model

Module V: Introduction to International Financial System

International Financial Markets – Equity, Debt, Foreign Exchange & Commodities. Role of Banks in Global Financial Transactions – NOSTRO, VOSTRO, SWIFT. Modes of Payment in International Trade – Advance, Open Account, Documents on Collection, L/C, Consignment-basis. FDI's & FII's.

Text & References:

- Daniels, J.D., Radebaugh L.H., Sullivan D.P. & Prashant Salwan (2013), International Business: Environments and Operations, Pearson Hall, Delhi

- Varma, Sumati (2012), International Business, Pearson Hall, Delhi
- Sundaram and Black,(2013), International Business Environment, Prentice Hall Of India Pvt. Ltd.
- Hollensen & Banerjee, Global Marketing, (2012), Pearson Hall.
- Warren & Bhargava, Global Marketing Management (2013), Pearson Hall.
- Bhalla and Raju,(2012), International Business Environment, Sage Publication
- Francis Cherulinam,(2012), International Business, Himalaya Publishing House
- Charles Hill,(2012), International Business, McGraw Hill
- Copeland, L.S. (2013), Exchange Rates & International Finance, Pearson Education

SEMESTER IV

Course Title: Managing Business in Emerging Markets

Course Code: IB711

Course Objectives:

The course offers a comprehensive look at emerging markets, especially (but not only) the BRIC countries (Brazil, Russia, India, China), as they integrate with the global economy. We offer a conceptual framework to analyze emerging markets from multiple perspectives: that of indigenous entrepreneurs struggling to overcome constraints to build world-class businesses, that of multinationals from developed countries tapping into emerging markets for their next growth spurt, and that of domestic and foreign investors seeking to profit from investment opportunities in emerging markets.

Course Contents/Syllabus:

Module I Introduction

Overview of emerging markets, Political, legal and cultural framework in emerging markets, Ethical issues, Trade and foreign Investment, Demographic characteristics, Market characteristics, Factors effecting international business,

Module II The Economic Environment

Differences in economic environment in emerging markets, Institutional voids, framework and developing institutions, Infrastructure & infrastructural gap, Income distribution, Business Groups,

Module III Opportunities and Trend in Emerging Markets

The growth of middle income and rise in consumption level, Growth of mid-sized cities, rural development, Services, technology and telecommunication, inequalities, taking advantage and adopting business models, Business at the bottom of pyramid.

Module IV Strategies for the Entry

An overview for the entry in emerging market, Trade based entry strategies, export, Bidding for global tenders, global sourcing and outsourcing, contract based entry strategy, licensing, franchising, technology transfer projects, management contracts, Investment entry modes- marketing subsidiaries, joint ventures, wholly owned entry strategy, Factors influencing entry strategy

Module V An Analysis of Selected Emerging Markets

BRIC Economies- Brazil, Russia, India, China New frontier economies in Latin America- Mexico, Chile, Peru Emerging economies of CIS countries Emerging economies of Africa Other emerging Economies in Eastern Europe

Text:

□ Tarun Khanna, Krishna G. Palepu. 2010. Winning in Emerging Markets: A Road Map for Strategy and Execution. Harvard Business Press.

References:

□ “Doing Business in Emerging Markets” 2nd edition, by S Tamer Cavusgil, Pervez N Ghauri, Ayse A. Akcal – 2012 published SAGE Publications Ltd. □ “International Business Strategy in Emerging Country Markets: The Institutional Network Approach” by Hans Jansson published by Edward Elgar Publishing House 2008. □ “Emerging Markets Rule: Growth Strategies of the New Global Giants”, by Mauro Guillen, Esteban Garcia-Canal published by McGraw Hill Professional 2013. □ “Emerging Markets: Lessons for Business Success and the Outlook for Different Markets” by Nenad Pacek, Daniel Thorniley published by The Economist in association with Profile book Ltd 2007. □ “The Global Emerging Market: Strategic Management and Economics” By Vladimir Kvin published by Roulledge 2009

Course Title: Global Outsourcing

Course Code: IB 634

Course Objectives:

Outsourcing goods and services on a global basis has become a central part of most companies' growth strategy. The course aims to familiarize students with key issues related to global outsourcing strategy as a management practice that is today widely used and growing in popularity. Secondly, a key development objective is to build the skills of exploring, learning, analyzing, relationship management and new management practices in outsourcing. Through this course the students will appraise themselves with an understanding of the impact that outsourcing and supply management have on the success and profitability of firms in today's business environment.

Syllabus:

MODULE-1(INTRODUCTION)

Introduction, Definition, need and relevance of Global Sourcing, Evolution of sourcing. Purchasing a dynamic profession, origins of purchasing and transition to supply chain management. Five major developments- cross functional teams, supply chain and supply networks. supply alliances ,strategic sourcing, e-procurement, global sourcing

MODULE-II(Corporate strategy and outsourcing)

How Corporate Strategy Drives Outsourcing Strategy. Roles and Responsibilities in strategy development and execution. Models- Off shoring Business Arrangements

MODULE-3(Types of Outsourcing)

Types of Global Sourcing: Global sourcing of HR. Accounting or Finance. Global sourcing of Procurement/Supply Chain. Global sourcing Governance: PMO, contracts, Emerging Trends

MODULE-4(Sourcing and Proposals)

Sourcing Activities: Sole Source v. Competitive Selection. Candidate Pool, "Qualified Sources. The Request for Proposal, Bid Evaluation,. Landed Cost", "Best Value" Selection

MODULE-5(Contract and Negotiation)

Contract Formation, Contract Negotiation: Negotiation Objectives, Negotiation Strategy, Negotiation Best Practices, Relationship Management

MODULE-6(International Sourcing Decision)

International Sourcing Decisions: Manufacturing/National brands, Private label brands, Premium branding. International sourcing. Costs associated with global sourcing decisions, Foreign currency fluctuations. Tariffs, Free trade zones and Retailing. Managerial issues associated with Global sourcing decisions, International vendor management

Text:

- Lacity, M., and Willcocks, L., Global Information Technology Outsourcing: Search for Business Advantage, John Wiley & Sons, Chichester, 2001

Reference:

- Supply Management; Eighth Edition, Burt, Dobler, and Starling, ISBN: 978-007-126330-6, McGraw-Hill
- Xanedu Course Pack – X 443.5 Managing Outsourced Projects Readings
- World Class Contracting, 4th Edition; Gregory A. Garrett, ISBN 13: 978-0-8080-1611-3, CCH.

Course Title: Foreign Trade Policy

Course Code: IB722

Course Objectives:

India is now aggressively pushing for a more liberal global trade regime, especially in services and has assumed a leadership role among developing nations in global trade negotiations. Our Foreign Trade Policy now has the dual objective not only to encourage exports but also to facilitate those imports into India which are required to stimulate our economy. Regional, bilateral and multilateral trade agreements also play an important role in world trade. An understanding of the Policy, export promotion/incentives available for exports and tariffs imposed on imports is imperative to run an Export/Import business.

Course Contents/Syllabus:

Module I: World Trade & Economic Integration

Why Trade, Link between Trade & Economic growth, Complexities & Barriers to free trade, World's leading economies, World's Top Trading Nations & Emerging markets, Free Trade Areas, Customs Union, Common Markets, Economic Unions, Regional Economic Blocks- EU, NAFTA, MERCOSUR, SAARC, SAFTA, APEC, ASEAN, ECOWAS, GCC, OPEC.

Module II: World Trade & Standardization Organizations

WTO, IMF, World Bank, WCO Harmonized Commodity Description & Coding System, ISO Currency codes - ICC

Module III: Overview of India's Foreign Trade Policy & Major Trading Partners

The Foreign Trade (Development & Regulation) Act, Objectives of India's Trade Policy 2014-19, Post 1991 India's Trade Liberalization, India's Economic Indicators, Export/Import data & Major Trading partner countries, How to start an Export/Import business - Import Export Code (IEC), Registration cum Membership Certificate (RCMC) with appropriate Export Promotion Authority, Role & Types of Export Promotion Councils, Export Documents - Commercial, Financial, Transport, Title, Govt., Insurance, Export Assistance Documents & Certificates used in Exports, Import Documents - Licenses & Customs documents for imports.

Module IV: India's Export - Policy, Documentation & Procedures

Fiscal, Financial, Special Schemes & General incentives provided to exporters, Promotion Schemes like Status holders Certificate, FMS, FPS, MLFPS, VKGUY, SFIS, Deemed Exports, Duty Exemption Scheme & Duty Refund Schemes – Export Promotion Capital Goods Scheme, Advance Authorization, Duty Drawback, DEPB scheme, Free Trade Zones & Special Economic Zones - Export-oriented Units, Software Technology Parks., AEZ's etc

Module V: India's Import – Policy, Documentation & Procedures

Types of Imports, Basic Import Process, Restrictions on Imports, Basics of Indirect Taxes, Tariff structure and Customs Duties including Anti-Dumping duty, Safeguard duty etc, Calculation of import duty for various category of goods – Raw Material, Capital & Project imports, Concessions and benefits available for certain importers like samples, goods for Exhibitions, Tourists & NRI's