

GOKHALE INSTITUTE OF POLITICS AND ECONOMICS

Deemed to be University u/s 3 of the UGC Act, 1956

PUNE 411004

Syllabus for M.Sc. (International Business Economics and Finance)

(Effective from Academic Year 2016-17)

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IBEF-A-01 Microeconomics

Objective:

The objective of this course is to develop an understanding of the basic principles of microeconomics. It intends to improve students' analytical skills and ability to solve problems, which will be useful in several other areas of economics. By the end of this course the student is expected to be familiar with the basic concepts of microeconomics and acquire analytical skills to analyse problems of economic policy.

The course does not require any previous knowledge of microeconomics. Familiarity with calculus and optimization theory will be helpful. Relevant mathematical tools will be developed during the course as required.

Module 1: Theories of Consumer Behaviour

Traditional Approach of Utility Theory, Limitations of the Consumer Theory, Behavioral Approach, The Expected Utility Model, Utility on Lotteries, Axioms and Preferences under Uncertainty, The Expected Utility Theorem, Critiques of the Expected Utility Model

Module 2: Theory of Production and Costs

Types of Resources Used in Production, Production and Costs, Production Decisions, Analyzing Costs and Production, Alternative Theories of Firms' Behavior, Cost Functions, Marginal cost pricing, Duality between production and costs, inferior inputs

Module 3: Risk Aversion

Approximate and Compare Risk Aversion, Certainty Equivalent and Risk Premium Utility Classification according to Arrow-Pratt Index, Utility Maximising Portfolio (static approach), Maximisation of Expected Utility, Behaviour of Optimal Portfolio, The Equilibrium Price of Risk, The Intertemporal Budget Constraint, Background Risk, The Arrow-Debreu Portfolio Problem, The Demand for Contingent Claims, Measures of Risk: Domar Musgrave Index, Roy's Safety Index, Mean –Variance Index, Semi Variance Index, Baumol's Risk Measure, Minimax regret criteria, Decreasing Absolute Risk Aversion (DARA), Constant Absolute Risk Aversion (CARA), Increasing Absolute Risk Aversion (IARA), Decreasing Relative Risk Aversion (DRRA), Increasing Relative Risk Aversion (IRRA), Constant Relative Risk Aversion (CRRA) etc. and their comparative statics

Module 4: Markets and Competition

Review of Perfect Competition, Non-Competitive Market Structures – Monopoly, Monopsony, Non-Competitive Market Structures, Monopolistic Competition, Oligopoly models of output, decision-making, Oligopoly models of price competition, Game Theory, Global Oligopoly, Pricing Practices, Pricing of Multiple Products, Price Discrimination and Dumping, Transfer Pricing, Pricing Practice like Cost-Plus Pricing

Module 5: Theory of Incomplete Markets:

Markets securities and Incomplete Markets, Arrow Debru Theorem, Possible reasons for market incompleteness, Failure of standard complete markets model, Examples of incomplete markets

Module 6: Consumption and Saving

Time Separability, Exponential Discounting, The Demand for Saving, Precautionary Saving with an Endogenous Risk, Arbitrage Theory, Definition of Arbitrage, Asset Pricing through Replicating Portfolio, Asset Pricing, Fundamental Theorem of Asset Pricing, Introduction to Interest Rate Risk, Introduction to Credit Risk

BASIC READING LIST

- Ferguson, C. E. (1969), *The Neoclassical Theory of Production and Distribution*, Cambridge University Press.
- Gravelle, H. and Rees R. (2003), *Microeconomics*, 3rd Edition, Prentice Hall
- Kreps, David (1992), *A Course in Microeconomic Theory*, Eastern Economy Edition, Prentice Hall of India
- Varian, Hal R. (1992), *Microeconomic Analysis*, 3rd Edition, International Student Edition, W. W. Norton and Company
- Williamson, O. E. and Winter, Sidney G. (Eds) (1993), *The nature of the firm; origins, evolution and development*, Oxford University Press
- Jean Tirole (2014), *The Theory Industrial Organization*, Prentice Hall India, New Delhi
- Le Roy, S.F. and Werner, J. (2010). *Principles of Financial Economics*. Cambridge University Press
- Gollier, C. (2004). *The Economics of Risk and Time*. MIT Press
- Cochrane, J.H. (2005). *Asset Pricing*. Princeton University Press

IBEF-A-02 Macroeconomics and Finance

Objectives: This course has been specially designed to provide understanding of macroeconomics by focusing on the relation between financial markets, monetary economics and macroeconomics. The subject is placed in the context of Indian macro economy and financial sector, aiming to show how theoretical and empirical knowledge of macroeconomics and financial markets provides ways to analyse the salient problems faced by macroeconomic policy makers. It also aims at giving insight into the role of macroeconomic variables, indicators and policy measures in decision making by businesses and investors.

Module 1: Global and National Trends in Macroeconomic Indicators:

Contribution of Financial sector Development in Economic Growth, Financial Liberalization and Economic Development, Financial Interrelation Ratio-Flow of Funds accounting, Business Cycle Indicators Trends in macroeconomic indicators and their implications for investment decisions. Financial databases and their uses

Module 2-Macroeconomic Theory in Finance Perspective:

Theoretical Underpinnings of Macroeconomics and Finance- Modern macroeconomic thought –competing schools of macroeconomic thought-- neoclassical synthesis- macro financial linkages- contemporary macro financial theories from -Keynes, Tobin to Minsky, Bernanke, Mishkin, Shiller, Krugman

Module 3: Determinants of the Money Supply, Liquidity and Credit

Theoretical and Empirical Definitions of Money The debate relating to the definition of money Liquidity theory Gurley and Shaw Hypothesis The Reserve Bank of India's Monetary and Liquidity Aggregates--Determinants of the Money Supply --bank credit Multiplier-Determinants of credit. Central Bank and Base Money -Sources of Base Money – RBI Balance Sheet – Factors that Affect the Monetary Base – Factors that add to the Monetary Base – Foreign Exchange Rate Intervention and the Monetary Base – Factors that Subtract from the Monetary Base – The Budget Deficit and the Monetary Base -The Monetary and Fiscal Interface.

Module 4: Money Transmission Mechanics

Monetary Transmission Mechanism Channels of monetary transmission mechanism, Impediments to monetary transmission mechanism in India.

Module5: Theoretical Framework underlying the Monetary Policy formulation

Targets and Goals of Monetary Policy- Optimal Monetary Policy Role of Monetary Policy in Global Financial Crisis – Conflict among Goals- Criteria for Choosing Intermediate Targets – Criteria for Choosing Operating Targets.

Module 6: Structure, Framework and Instruments of Monetary and credit Policy in India:

Accountability and autonomy of Reserve Bank of India – Liquidity, credit and money management framework in India, Revisiting the Choice of Nominal Anchor for India's Monetary Policy, The Choice of Inflation Metric in India, Monetary Policy Targets Rules vs Discretion – The Taylor Rule – Numerical Target and Precision Operating Targets, Instruments and Liquidity Management, Policy measures to address the issues with Monetary transmission mechanism in India

Module 7: Macroeconomic Policy in Global Financial Environment:

India's Balance of payments – Implications of Current account and capital account deficits and surplus-Managing capital flows, volatility of capital flows Capital Flows, Exchange Rate Volatility and Financial Stability -Bubbles, Panics and Crashes, History of Financial Crises, Policy Responses to Financial Crises

Reading List:

- Mishkin, Frederic (2007), *The Economics of Money, Banking and Financial Markets*, 8th ed., Addison Wesley Longman Publishers.
- Bain, Keith & Howells, Peter (2009), *Monetary Economics: Policy and Its Theoretical Basis*, Palgrave.
- Friedman, Ben & Hahn, F.H. (Eds.) (1990), *Handbook of Monetary Economics*, Vols. 1, 2, & 3, North Holland Publishers.
- Blinder, Alan (1998), *Central Banking in Theory and Practice*, The MIT Press.
- Langdana, Farrokh (2009), *Macroeconomic Policy: Demystifying Monetary and Fiscal Policy*, 2nd Edition, Springer.

IBEF-A-03 Trade Theory

Objective: The course provides a deep understanding of the broad principles and theories which tend to govern the flow of trade in goods, services and capital — both short-term and long-term — at the global level. The contents of the paper lay stress on the theory and nature of the subject which will help the students to examine the impact of the trade policies followed both at the national and international levels as also their welfare implications at macro level and the distribution of gains from trade to North and South with particular reference to India. The study of the paper under the present era of globalization aims to provide insight about the likely consequences on income, employment and social standards and possible policy solutions.

Unit 1: Basis of Trade

- 1.1 Mercantilist's view
- 1.2 Adam Smith and Absolute Advantage Theory of Trade
- 1.3 Ricardo and Comparative Advantage
- 1.4 Production Possibility Curve
- 1.5 Community Indifference Curve
- 1.6 Gains From Trade
- 1.7 Offer Curve and determination of International equilibrium price

Unit 2: Heckscher Ohlin Model

- 2.1 Comparative Advantage in Heckscher Ohlin Mode
- 2.2 Definition of Factor Abundance
- 2.3 Factor Price equalization theorem
- 2.4 Factor intensity reversal
- 2.5 Leontief Paradox

Unit 3:- New Trade Theories

- 3.1 Economies of Trade & International Trade
- 3.2 Imperfect Competition & International Trade
- 3.3 External Economies and Pattern of Trade
- 3.4 Dynamic external Economies & specialization

Unit 4 Trade, Firm Structure, off shoring and Outsourcing

- 4.1 Firm Organization and Trade
- 4.2 Vertical Specialization
- 4.3 Task Trade, Offshoring and Outsourcing

Unit 5: Trade, Matching, Sorting and Heterogeneity

- 5.1 Heterogeneity and Trade
- 5.2 Firm heterogeneity, international Trade and Wages
- 5.3 Trade and inequality in developing countries

Unit 6: Economic Geography and Trade

- 6.1 Trade and Topography of the spatial Economy
- 6.2 specialization and agglomeration
- 6.3 Internal Geography, International Trade and regional specialization
- 6.4 Gravity equations

BASIC READING LIST

- Bhagwati & Srinivasan (1983), *Lectures on international trade*, The MIT Press.
- Bhagwati, Jagdish (1964), "The Pure Theory of International Trade", *Economic Journal*, Vol. 74, pp. 1-78.
- Borkakoti, J. (1998), *International trade: Causes & Consequences*, MacMillan, London.
- Caves, R. E., Frankel, J. A., Jones, R. W. (1993), *World Trade and Payments*, 6th edition, Harper Collins, New York
- Chacholiades, M. (1981), *Principles of International economics*, McGraw-Hill, New York.
- Chipman, John S. (1965), "A survey of the theory International trade: Part 1, The Classical Theory," *Econometrica*, Vol. 33, No. 3, July, pp. 477{519}.
- Chipman, J. S. (1965), "A Survey of the Theory of International Trade: Part 2, The Neo-Classical Theory," *Econometrica*, October, Vol. 33, No. 4, pp. 685{760}.
- Chipman, J. S. (1966), "A Survey of the Theory of International Trade: Part 3, The Modern Theory," *Econometrica*, Vol. 34, No. 1, January, pp. 18{76}.
- Ethier, W. J. (1995), *Modern International economics*, 3rd edition, W.W. Norton & Co.
- Heffernan & Sinclair, (1991), *Modern International economics*, Illustrated edition, Wiley-Blackwell
- Heller, H. R. (1973), *International trade: Theory and empirical evidence*, 2nd Edition, Prentice-Hall, Englewood Cliff, New Jersey.
- Krugman, P. R. & Obstfeld, Maurice, (2008), *International economics: Theory & policy*, Addison-Wesley, May.
- Makusen, J. R. & Melvin etc. (1994), *International trade: Theory and evidence*, *International*, Ed edition, 1 Dec, McGraw-Hill Inc, US.
- Neary, J. P. (1995), *Readings in International Trade: Volume I, Welfare and Trade Policy; Volume II, Production Structure, Trade and Growth*, International Library of Critical Writings in Economics, Edward Elgar, Cheltenham.
- Pugel & Lindert (1999), *International economics*, 11th edition, Irwin/McGraw-Hill, December 13.

IBEF-A-04 Statistics

Objective: The objective of this course is to familiarize students with statistical theory and its application as the foundations for data analysis. At the end of the course, students are expected to learn a clear understanding on the theoretical derivations as well as the interpretation and analysis of data. For this, hand- on training in data analysis along with computer applications will be done as part of this course.

Unit 1: Descriptive Statistics; Describing and summarizing univariate distributions, frequency tables, histogram, distinguishing features, mean based and order based numerical summaries, visual techniques such as box plots.

Unit 2: Test of Significance; Test of means and proportion, test of difference in means and proportions, small sample and large sample tests, bootstrap and nonparametric methods.

Unit 3: Introduction to probability; Introduction, Sample Spaces and the Algebra of Sets, The Probability Function, Conditional Probability, Independence, Combinatorics, Combinatorial Probability, Monte Carlo Techniques

Unit 4: Random Variables; Introduction, Binomial and Hypergeometric Probabilities, Discrete Random Variables, Continuous Random Variables, Expected Values, The Variance, Joint Densities, Transforming and Combining Random Variables, Further Properties of the Mean and Variance, Order Statistics, Conditional Densities, Moment-Generating Functions

Unit 5: Testing of Hypothesis; Simple versus composite hypothesis, critical region, type I and type II errors, power of a test, The Decision Rule , trinity of classical tests (Wald test, Lagrange multiplier, likelihood ratio), application of hypothesis testing with known and unknown variances, test for correlation,

Unit 6: Special Distributions; Introduction, The Poisson Distribution, The Normal Distribution, The Geometric Distribution, The Negative Binomial Distribution, The Gamma Distribution, the Central Limit Theorem

Unit 7: Estimation and Inference; Introduction, Estimating Parameters: The Method of Maximum Likelihood, the Method of Moments, Interval Estimation, Properties of Estimators, Minimum-Variance Estimators: The Cramér-Rao Lower Bound, Sufficient Estimators, Consistency, Bayesian Estimation.

Unit 8: Bivariate Distributions; Contingency tables, joint and conditional distributions, odds ratio, test of independence, Analysis of Variance (ANOVA), analysis of covariance.

Unit 9: Sampling methods; Simple random sampling; with and without replacement, stratified random sampling, probabilistic and non-probabilistic sampling, statistic and sampling moments, sampling distributions: Student's t, Chi-square and F- distribution, determinants of sample size.

Unit 10: Multivariate Analysis; Cluster Analysis, Principal Component Analysis, Factor Analysis and Discriminant Analysis.

Unit 11: Nonparametric Statistics; Introduction, Sign Test, Wilcoxon Tests, The Kruskal-Wallis Test, The Friedman Test, Testing for Randomness, Comparing Parametric and Nonparametric Procedures.

Note: *Students will be trained in software packages for performing statistical applications.*

Suggested Readings:

- Andy Field (2009), Discovering Statistics Using SPSS, Third Edition, Sage Publication.
- Gupta, S.P. (1997), Statistical Methods, Sultan Chand and Sons, New Delhi.
- Levin, Richard I. and David S. Rubin (2002), Statistics for Management, Prentice-Hall of India Private Limited, New Delhi
- Levin, Stephan, Krehbiel and Berenson (2009), Statistics for Managers using Microsoft Excel, PHI Learning, New Delhi

IBEF-A-05 Accountancy and Financial Statement Analysis

Objectives: The course aims at providing basic understanding of various essential concepts of accountancy and preparation of accounting statements, introduction to accounting standards and IFRS framework of accounting.

Unit 1: Basic Principles: Financial Accounting & Accounting Standards- Accounting Equations - Users of Accounting Statements, Importance - Objectives and Principles - Accounting Concepts and Conventions - Principle of Double Entry Book Keeping, Trends in Accounting principles, GAAP, IFRS, IAS

Unit 2: The Accounting Process: Preparation of Books of Original Records: Journals - Subsidiary Book - Problems on Cash Book and Petty Cash Book - Ledgers & Trial Balance - Classification of Capital and Revenue Expenses - Final Accounts with Adjustments

Unit 3: Preparation of Final Accounts/Statement: Sole traders with Basic Adjustments - Preparation of Final Accounts / Statement of Companies (Both Horizontal & Vertical Form of Financial Statements) - Brief Introduction to Partnership Account- Accounting for small, medium and large companies

Unit 4: Statement of Changes in Funds: Funds Flow Statement - Cash Flow Statement - Problems with Basic Adjustment on FFS & CFS - Statement of Changes in Working Capital - Funds from Operations - Paid Cost and Unpaid Costs - Distinction Between Cash Profits and Book Profits - Preparation and Analysis of Cash Flow Statement and Funds Flow Statement.

Unit 5: Depreciation & Inventory Valuation: Concepts & Methods of Depreciation - Problems on Straight Line & WDV Methods - Inventory - Concepts & Methods - Problems on LIFO, FIFO & Weighted Average - Valuation of Fixed Assets- Current and Non-current assets and liabilities-- Tangible v/s Intangible assets - Depreciation of Fixed Assets and Methods of Depreciation - Inventory Valuation: Methods of Inventory Valuation and Valuation Of Goodwill - Methods of Valuation of Goodwill.

Unit 6: Analysis of Companies' Annual Reports: Provisions of the Companies Act 1956 - Provision Affecting Preparation - Presentation & Analysis of Audit Reports & Directors' Reports.

Unit 7: Financial Analysis of Financial Performance of a Firm: Different Tools - Ratio Analysis - Different Types of Ratio's - Inter-Relation Between Ratio's - Due-point Analysis - Common Size Statement of Inter Firm and Intra Firm - Internal Revenue Code-Interpretation of Financial Statements From Investor and Company Point of View - Horizontal Analysis and Vertical Analysis of Company Financial Statements - Liquidity, Leverage, Solvency and Profitability Ratios - Du Pont Chart - A Case Study on Ratio Analysis

Unit 8: Accounting of Foreign Currency Transactions: Accounting of Foreign Operations, Process and Translation Risks, Consolidation of Foreign with Domestic Financial Statements, IFRS and Accounting of International Transactions

BASIC READING LIST

- Ghosh, T.P., (2010), *Understanding IFRS*, Taxmann.
- D'Souza, Dolphy, (2009), *Indian Accounting Standards and GAAP In 2 Vol.*, Snow White Publications Pvt. Ltd.
- International Accounting Standards Board (2007), *International Financial Reporting Standards 2007 (including International Accounting Standards (IAS(tm)) and Interpretations as at 1 January 2007)*, LexisNexis, ISBN 1-4224-1813-8.
- *Case studies of IFRS implementation in Brazil, Germany, India, Jamaica, Kenya, Pakistan, South Africa and Turkey*, United Nations Intergovernmental Working Group on International Standards of Accounting and Reporting (ISAR). (Various years)
- Catty, James P. (2010), *Wiley Guide to Fair Value, Under IFRS [6]*, ISBN: 0470477083, John Wiley & Sons.

IBEF-A-06 International Finance - I

Objectives: The objective of the course is to provide an understanding of both the key features of foreign exchange markets and the actual problems of financial decision making within an environment of free flows of foreign capital and floating exchange rates. The course focuses on the nature of foreign exchange exposure and risk and its management arbitrage, speculation, hedging, the types of foreign exchange operations spot, forward, foreign exchange swaps, currency swaps, futures and options.

Unit 1: International Financial Markets and Instruments

- 1.1 Introduction
- 1.2 Euromarkets
- 1.3 An Overview of the Major Funding Instruments
- 1.4 An Overview of Major Markets
- 1.5 Multilateral financial Institutions
- 1.6 International Equity Markets
- 1.7 Summary

Unit 2: Sources and Instruments of International Finance

- 2.1 Short-term, medium term, long term national currency financing
- 2.2 Other Foreign Currency financing
- 2.3 National government Facilities
- 2.4 Regional and National Development Finance
- 2.5 Private Investment Companies
- 2.6 The World Bank Group

Unit 3: The Foreign Exchange Market

- 3.1 Introduction
- 3.2 Structure of the Foreign Exchange Market
- 3.3 Exchange Rate Systems, Modified liberalized exchange rate management system
- 3.4 Exchange Rate Arithmetic
- 3.5 Merchant Rates
- 3.6 Early delivery, extension and cancellation of foreign exchange contracts
- 3.7 Spot and forward exchanges
- 3.8 SWAPs and Cover operations
- 3.9 Management of Risk in Foreign Exchange Business
- 3.10 Mechanics of Currency Trading
- 3.11 Types of Transactions and Settlement Dates
- 3.12 Exchange Rate Quotation and Arbitrage
- 3.13 Pricing of Short-Date and Broken Date Contracts
- 3.14 Exchange Rate Regimes and the Foreign Exchange Market in India

Unit 4: Exchange Rate Determination and Forecasting

- 4.1 Introduction
- 4.2 Some Fundamental Equivalence Relationships
- 4.3 Theories of Exchange Rate Determination
- 4.4 Exchange Rate Forecasting
- 4.5 The Exchange Rate of the Rupee

Unit 5: Long Term Borrowing in International Financial Markets

- 5.1 Introduction
- 5.2 Costs and Risks of Long Term Foreign Borrowing
- 5.3 Syndicated Loans
- 5.4 International Bonds
- 5.5 MTNs, NIFS and Related Facilities
- 5.6 Project Finance
- 5.7 Multilateral Institutions

BASIC READING LIST

- Shapiro, Alan C. (2006) Multinational Financial Management, 8/e, Wiley & Sons. ISBN 0471737690.
- Eiteman, D. K., Stonehill, A. I., Moffeit, M. H. (1999) Multinational Business Finance, 8th Ed., Addison Wesley.
- Levi, Maurice D. (2009), International Finance, 5th Ed., Routledge.
- Levich, Richard M. (2001), International Financial Markets Prices and Policies, 2nd Ed., McGraw-Hill Irwin
- Apte, P. G., International Financial Management, 6th Edition, Tata Mcgraw-hill, New Delhi

IBEF-A-07 Trade Policy

Objectives: The objective of this course is to introduce the students to various issues concerning trade policy, through a review of trade history since 1900 to date. Students will be able to understand trade policies and the relationship between public policy and economic theory in the globalized economy. The course will discuss the various instruments of trade policy and will also analyze the impact of domestic policies on international trade. The course will also throw light on the process of multilateral and regional integration.

Unit 1: Free Trade v/s Protectionism

- 1.1 Arguments in favour of Free Trade
- 1.2 Arguments against free Trade
- 1.3 Trade policy tools – Tariffs
- 1.4 Effects of tariffs
- 1.5 Domestic distortions and tariff
- 1.6 Foreign Monopoly and Tariff
- 1.7 Effects of tariff on small country and large country
- 1.8 Optimum Tariff
- 1.9 Tariff Retaliation

Unit 2: Free Trade Area Formation and Political Economy Issues

- 2.1 Free trade area formation
- 2.2 Trade creation and trade diversion
- 2.3 Regional Trading Blocks - SAFTA, NAFTA, SAARC, etc.

Unit 3: Non-Tariff Barriers and New Protectionism

- 3.1 Import quota
- 3.2 Export subsidy, VER, Local content requirements
- 3.3 Anti-dumping
- 3.4 SPS and other TBTS to trade
- 3.5 Trade and Environment

Unit 4: Controversies in Trade Policy

- 4.1 Technology and Externalities
- 4.2 Imperfect competition and strategic trade policy
- 4.3 Innovation versus imitation, R&D subsidies

Unit 5: GATT AND WTO

- 5.1 GATT and its objectives
- 5.2 Trade issues at successive rounds of discussions
- 5.3 New issues at Uruguay Round
- 5.4 UNCTAD and evolution of worlds Trading arrangements
- 5.5 WTO and fair trade

Unit 6: Evolution of India's Commercial Policy

- 6.1 A historical perspective.
- 6.2 Objective and essential features.
- 6.3 Import substitution and export-promotion, policies and rationale changes over time.
- 7.1 Commodity composition
- 7.2 Geographical direction
- 8.1 Liberalization in trade policy - changes in foreign trade policy
- 8.2 Globalization of foreign direct investments and financial markets - Foreign Institutional Instruments
- 9.1 Balance of trade, balance of payments, analysis and changes over time

Unit 7: Export Promotion Policies

- 10.1 From state trading to export promotion.
- 10.2 Export promotion measures/ External Commercial Borrowings, Foreign Line of Credits
- 10.3 Institutional framework for export promotion.
- 10.4 Free trade zones and EOUs. Export houses. Trading houses and star trading houses. SEZs.

Unit 8: Exchange control objectives - Liberalization in exchange control

- 11.1 Exchange rate policy in India.
- 11.2 Convertibility of Rupee and Impact on Foreign Trade.
- 11.3 International Sources of Finances-External Commercial Borrowings, Foreign Line of Credits, NRI Deposits, FII, Inter-country aid, multilateral aid, FDI

Unit 9: Globalization and emerging foreign trade scenario, WTO and India, Role of IMF and its assistance, : Challenges faced by Indian Exporters

BASIC READING LIST

- Bhagwati, Jagdish. 2002. *Free Trade Today*, Princeton, Princeton University Press.
- Bhagwati, Jagdish. 2002. *In defense of Globalization*, New York, Oxford University Press.
- Bradford, Scott and Lawrence, Robert. 2004. *Has Globalization Gone Far Enough?* Washington, D. C., Institute for International Economics.
- Cline, William. 2004. *Trade Policy and Global Poverty*, Washington, D. C., Institute for International Economics.
- Feenstra, Robert. 2003. *Advanced International Trade: Theory and Evidence*, Princeton, NJ, Princeton University Press.
- Frieden, Jeffry, Pastor Jr., Manuel and Tomz, Michael. 2000. *Modern Political Economy and Latin America*, Boulder, CO, Westview.
- Jackson, John. 1997. *The World Trading System*, 2nd Edition, Cambridge, MA, the MIT Press.
- Krugman, Paul. 1997. *Pop Internationalism*, Cambridge, MA, the MIT Press.
- Rodrik, Dani. 1997. *Has Globalization Gone Too Far?* Washington, D. C., Institute for International Economics.
- Sampson, Gary (Ed.) 2001. *The Role of the World Trade Organization in Global Governance*, Tokyo, United National University Press.
- Srinivasan, T. N. 1998. *Developing Countries and the Multilateral Trading System*, Boulder, CO, Westview Press.
- Stiglitz, Joseph. 2002. *Globalization and Its Discontents*, New York, Norton.
- Wolf, Martin. 2004. *Why Globalization Works*, New Haven, Yale University Press.
- Krugman, P. R. & Obstfeld, Maurice, (2008), *International economics: Theory & policy*, Addison-Wesley, May.
- Daniel Bethlehem, Isabelle Van Damme, Donald McRae, and Rodney Neufeld (2012) *The Oxford Handbook of International Trade Law*
- Foreign Trade Management in India by M.L Verma.
- India's Export and Export Policies in the 1906s by D. Nayyar.
- World Development Reports (Recent years)
- Economic survey (Latest few years) Ministry of Finance, GOI.
- Annual Report (Recent years), Ministry of Commerce, GOI.
- India's Balance of Payments, 1948-49 till 1989, RBI, Bombay, 1993.
- Foreign Exchange Handbook by H.P Bharadwaj.
- Currency & Finance Reports- RBI
- Exchange Control Manual – RBI

IBEF-A-08 Basic Econometrics

Objective: The objective of this course is to introduce basic econometric techniques that are widely used in empirical work in economics. It covers the problems faced in estimation and inference in the context of the single-equation linear regression model. The focus is on conceptual understanding and 'hands on' applications using economic data drawn from real-world examples, rather than on formal theoretical proofs alone. By the end of the course, students should be able to develop simple econometric models and interpret econometric and statistical results reported in other studies.

Unit 1: The nature of Econometrics and Economic Data

Introduction, Model Specification and applied research, the role of data in model specification, The Structure of Economic Data, Steps in Empirical Analysis, Causality and the Notation of Ceteris Paribus in Econometrics, etc.

Unit 2: The Simple Regression Model

Introduction, Definition of the Simple regression Model, Deriving the Ordinary Least Squares Estimates, Properties of OLS on Any Sample of Data, Units of Measurement and Functional Forms, Expected Values and the Variances of the OLS, Regression through the Origin and Regression on a Constant, Regression with Graphics, Outliers, Leverage and Influence, Transformation towards Linearity, Summary

Unit 3: Multiple Regression Analysis:

Estimation; Introduction, Motivation for Multiple Regression, Mechanics and Interpretation of Ordinary least Squares, The Expected Values of OLS Estimators, The Variance of the OLS Estimators, Efficiency of OLS: The Gauss-Markov Theorem, Fragility Analysis, Summary

Module 4: Multiple Regression Analysis:

Inference; Introduction, Sampling Distribution of the OLS Estimators, Testing Hypotheses about a Single Population parameter: The t Test, Confidence Intervals, Testing Hypotheses about a Single Linear Combination of the Parameters, Testing Multiple Linear Restrictions: The F Test, Relationship between F and t Statistics, The R-Squared Form of the F Statistic, Computing p-Values for F Tests, The F Statistic for Overall Significance of a Regression, Testing General Linear Restrictions; Reporting Regression Results, Summary.

Unit 5: Violation of the OLS Assumptions

Introduction, Consequences of violation of OLS assumption, GLS Estimation- Aitken's generalization of Gauss Marks Theorem, Estimation of σ^2 .

Unit 6: Multicollinearity

Introduction, perfect versus imperfect Multicollinearity, Consequences, tests for detection and remedies for Multicollinearity.

Unit 7: Serial Correlation or Autocorrelation

The problem, pure versus impure autocorrelation, consequences of applying OLS when there is autocorrelation, detecting autocorrelation- graphical method, The Runs test, The Durbin Watson test, BG test and remedies for serial correlation.

Unit 8: Heteroscedasticity

Consequences of heteroscedasticity for OLS; Heteroscedasticity-Robust inference after OLS Estimation: Computing Heteroscedasticity-Robust LM Tests; Testing for Heteroscedasticity: The White Test; Weighted Least Squares Estimation: The Heteroscedasticity is known up to a Multiplicative Constant, The Heteroscedasticity Function Must Be Estimated: Feasible GLS, What If the Assumed Heteroscedasticity Function is wrong? Prediction and Prediction Intervals with Heteroscedasticity; The Linear Probability Model Revisited.

Unit 9: Multiple Regression Analysis: OLS Asymptotics

Consistency: Deriving the Inconsistency in OLS; Asymptotic normality and Large Sample inference; Other Large Sample Tests: The Lagrange Multiplier Statistic, Asymptotic Efficiency of OLS, Summary

Note: *The students will be trained in software packages for performing econometric applications.*

BASIC READING LIST

- Griffiths, Hill and Judge, *Learning and Practicing Econometrics*, Wiley, New York.
- Judge, G.G. et al., *Introduction to the theory and Practice of econometrics*, 2nd Edition John Wiley and Sons.
- Green, William H., **Econometric** Analysis, Prentice Hall.
- Johnston and Dinardo, *Econometric Methods*, 4th Edition McGraw-Hill International Edition.
- Madala G.S., *Introduction to Econometrics*, John Wiley & Sons.
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- Wooldridge J., *Introductory Econometrics: A Modern Approach*, South-Western College Pub.
- Baltagi, Badi H. , *Econometrics*, 5th edition, Springer
- Kennedy, Peter (2003), *A Guide to Econometrics*, 5th Edition, The MIT Press
- Studenmund, A.H., *Using Econometrics: A Practical Guide*, Addison Wesley Publishing Company. Boston,
- Gujarati, Damodar, **Basic Econometrics**, 4th Edition, Tata McGraw Hill Publishing Company, New Delhi
- Mood, Alexander M, Graybill, Franklin A. and Duane C. Boes, (1974), *Introduction to the Theory of Statistics*, McGraw-Hill.
- Goldberger, S., *Introductory Econometrics*, Harvard University Press.
- Koutsoyiannis, A., *Theory of Econometrics*, St Martin's Press.
- Krishna, K. L., *Econometric Application in India*, Oxford University Press, Delhi.
- Larsen, Richard J. & Marx, Morris L, *An Introduction to Mathematical Statistics and its Application*, 4th edition, Prentice Hall.
- Lewis-Beck, Michael S. , *Regression Analysis (Hand Book of Quantitative Application for social Science Volume 2*, SAGE Publications Inc., 1:68
- Pindyck & Rubinfeld, *Econometrics Models & Economic Forecast*, 4th edition, McGraw-Hill/Irwin

IBEF-A-09 Export-Import Procedure & International Logistics

Objectives: The objective is to give detailed understanding of the actual procedures of export and import starting from registration, duties, payment mechanism, documentation and marketing.

Unit 1: Export Procedures

- 1.1 Preparation for exports: Registration of firms with authorities, PAN No., IE code, BIN No., EPC, Central Excise etc.
- 1.2 Category of exports: Direct, indirect, third party exports.
- 1.3 Category of exporters: Manufacturer exporter, merchant exporter, EOU/ SEZ/ Biotech Parks/ Export Houses 5 categories, Trading Houses, Super Trading, Star Trading Houses. Soft Ware Tech Parks India.
- 1.4 Export benefits: Duty drawback, advance authorization scheme, duty free import authorization, duty exemption entitlement scheme, export promotion capital goods (EPCG), duty entitlement pass book scheme, market development assistance, focus product, focus mktg, market access initiative, excise clearance under rule 18 and 19.
- 1.5 GSP and GSTP rules as per the FT policy, complete documentation and procedures for export clearance, conditions in a letter of credit for stipulated documents legalization shipping cos certificates, types of bill of lading.

Unit 2: Import Procedures

- 2.1 Import management, procurement planning, and project imports regn.
- 2.2 Identification, selection of suppliers.
- 2.3 Purchase contract, terms of payments.
- 2.4 Terms of Delivery Inco terms.
- 2.5 Import policy ITC HS.
- 2.6 Role of a customs house agent and freight forward agents.
- 2.7 Type of customs duties, valuation rules.
- 2.8 Complete documentation and procedures for import clearance at sea port.
- 2.9 Customs clearance of imports by sea and air documents, procedures, etc.
- 2.10 Imports under various imports notification issued by customs.

Unit 3: International Logistics: definition and importance.

Unit 4: Different modes of transport used in International Trade.

Unit 5: Types of cargo, packing requirements and selection of vsl of shipments.

Unit 6: Types of vessels for Exports.

Unit 7: Types of shipping services: liner and tramp services, importance and comparison.

Unit 8: Different Inco terms- terms of delivery.

Unit 9: Types of bills of lading, air way bills and transport docs.

Unit 10: Types of containers- containerization.

Unit 11: Air freight, sea freight calculation basis, surcharges on freight charges.

Unit 12: Intermediaries role of freight forwarder and NVOCC and importance.

Unit 13: Carriers liability.

Unit 14: International commercial documents.

Unit 15: Multi modal Transport

BASIC READING LIST

- Foreign Trade Policy Volume I & II.
- Handbook of Procedures Volume I – II – III SION-DEPT Schedule.
- How to Export by Nabhi Publication.
- How to Import by Nabhi Publication.
- International Logistics by Pierre David, Biztantra Publications New Delhi.

IBEF-A-10 International Marketing

Objective: The aim of this paper is to help the students understand the peculiarities of international marketing and develop students' ability to devise marketing mix for international marketing.

Unit 1: International Marketing: Environment, Features and Participants.

- 1.1 Global Economy
- 1.2 Global Interdependence, International Markets, Markets for goods and services, Size, Factors affecting Growth of Markets and Benefits of International Marketing
- 1.3 Participants in International Markets: Private Sector, MNCs, Export Management Companies, Multinational Banks and Insurance Companies
- 1.4 Factors affecting International Marketing: Like Culture, Politics and Law
- 1.5 Regional Integration and Protectionism
- 1.6 International Monetary System and World Trade

Unit2: International Market Segmentation and Positioning: Screening and selection of markets; International market entry strategies - Exporting licensing contract manufacturing, Joint ventures, setting -up of wholly owned subsidiaries abroad.

International Product Planning: Major Product decisions-Product features and quality, Product design, labeling, packaging, branding and product support International trade product life cycle; New product development

Unit 3 International Marketing Management

- 3.1 Policies regarding Products, Their position, Standardization, Adaptation, Brand, Trade Marks etc,
- 3.2 International Marketing of Services and Technology
- 3.3 Promotion Policy: Advertising and other types of Promotion: International Advertising: Major aspects, Developing International Advertising Strategy and Management of Advertising Function International Sales Forces and Their Management International Advertising Research

Unit 4 Distribution Channels and Policy:

- 4.1 Managing International Distributional Channels Choice of Distributional Channels in different Markets, their roles and functions, Multinational Wholesalers and Retailers
- 4.2 Export Pricing -Tax incentives, Foreign Trade Zones and Exports
- 4.3 Aspects of International supply chain management, International distribution logistics inventory management transportation
- 4.4 Warehousing and Insurance, International direct marketing, leveraging international distribution for competitive advantage

Unit 5: Pricing for International Markets: Pricing strategies; Factors affecting international price determination; environment factors affecting international prices; International pricing process and policies; Delivery terms and currency for export price quotations: Transport pricing. International dumping. Financing marketing transactions.

Unit 6: International Marketing: Organization, Planning and Control

- 6.1 International Marketing Strategy and Entry Methods
- 6.2 International Marketing Information:
- 6.3 Surveys and cross Research, National Consumer Research and Export Marketing Research.

Suggested Readings:

1. International Marketing by V.H. Kriplani.
2. International Marketing Concepts, Techniques and Cases by Saxena and Kapur.
3. International Marketing by J. M. Hess and P.R. Catecora.
4. International Marketing Management by Miracle and G.S. Albaum.
5. International Marketing Analysis and Strategy by John Shaw
6. Onkvisit Sak and John J Shaw, International Marketing - Analysis and Strategy, PHI, New Delhi
7. Joshi, Rakesh Mohan, International, Marketing, Oxford University Press, New Delhi
8. Rajgopal, International Marketing, Vikas Publication, New Delhi

IBEF-A-11 International Finance - II

Objectives: The objective of the course is to provide an understanding of International monetary scenario, Foreign Exchange Management Act (FEMA), Methods of International Trade settlement. The course aims to introduce and make the student understand about export-import finance, custom practices of documentary credits. etc.

Unit 1: International Monetary Scenario

- 1.1 Bretton Woods –Role of I.M.F and WorldIBank---
- 1.2 Fall of Fixed Exchange Rate, Era of flexible Exchange Rate,
- 1.3 Economic and Monetary Union, Maastricht Treaty,
- 1.4 Birth of Euro, Post Maastricht developments.

Unit 2: Meaning of the term Foreign Currency as per section 2M and 2N of FEMA

- 2.1 Settlement of cross border trade transaction thru Nostro and Vostro Accounts---
- 2.2 Forex Market—definition-why market exists—Types of transaction –Spot and Forward Market.
- 2.3 Participants in forex Market and role played by Arbitrageurs, speculators, and Hedgers—Statutory basis of forex transactions-
- 2.4 Exchange Control in India---Business transacted by Authorised Dealers ---
- 2.5 Meaning of the term Export and Import as per FEMA --Management of foreign exchange with special reference of India. India’s forex scenario. BOP crisis of 1990, LERMS, convertibility.—offshore currency market and growth

Unit3: Finance function: Financial institutions in international trade.

- 3.1 Nonresident accounts: Repatriable and non repatriable, significance for the economy and bank, foreign currency demand loan.

Unit 4: Balance of Payment accounts

- 4.1 Credits and Debits in B.O.P
- 4.2 Current and capital Account---financing of current account by capital account---Sample entries in B.O.P
- 4.3 Assembling— Balance of Payment Summary statement- concept of basic balance and overall balance or official reserve transaction balance.
- 4.4 Forex Market and Balance of payment

Unit 5: Methods of IN Trade settlement:--Meaning of trade settlement

- 5.1 Open account, clean advances, documentary credit, and documentary Collection and consignment trading
- 5.2 International trade Gurantees---External Commercial Borrowings, Buyers Credit, suppliers Credit

Unit 6: Import finance

Documentary credit (letter of credit):definition as per UCPDC Types of LC—sight –usance –revocable and irrevocable---red and green clause LC---Backto back and transferable---standby letter of Credit – parties, mechanism with illustration-Documents involved in international trade: Statutory documents, financial documents, transport documents, risk bearing documents and Scrutiny of documents under L.C., trade and exchange control formalities, sanction of LC limit.

Unit 7: Export finance: Introduction to Export Finance

- 7.1 Pre and Post shipment stages of Export Finance, Guidelines on sanctioning export Credit
- 7.2 Rupee and foreign currency Export Credit, Deemed Exports, Software Exports-International Factoring- forfaiting-An Export finance option. ECGC and other formalities
- 7.3 EXIM Bank

Unit8: Management Control of Foreign Operations

- 8.1 Establishing managerial accountability for key decisions
- 8.2 Communicating objectives and operating results within a multinational organization
- 8.3 Appraising foreign results

Unit 9: Uniform customs practices of documentary credits

- 9.1 2007 revision, ICC Paris publication-600: Clauses 1 to 39 with case studies/illustration. UCP-Version1.1, ISBP-681, DOCDEX rules., URR-725,
- 9.2 INCOTERMS
- 9.3 Uniform rules collection – 97 revision clauses 1 to 22 with case Studies/illustration.

BASIC READING LIST

- Apte, P. G., International Financial Management, 6th Edition, Tata Mcgraw-hill, New Delhi
- Bharadwaj H P., (2000). Foreign Exchange Handbook, Wheeler Publishing
- Thummuluti Siddahiah, (2011), International Financial Management, Pearson
- Rawade, A. V. and Desai H. G., (2014) Foreign Exchange International Finance & Risk Management

IBEF-A-12 Financial Econometrics

Objectives: The course intends to familiarize students with the principal techniques in Financial Econometrics. The basic econometric techniques for finance like regression analysis, time series analysis, Co integration & error correction methods are covered. It should provide an understanding of the use of these techniques in financial economics.

Unit 1: Financial Econometrics: Scope and Methods

The Data Generating Process – Financial Econometrics at Work – Time Horizon of Models – The Behavior of Financial Variables – Distributions of Returns – Multivariate Returns – Empirical Properties of Returns.

Unit 2: Modeling Univariate Time Series

Stationarity – Correlation and Autocorrelation Function – Autoregressive Models – Properties of AR Models – Identifying AR Models in Practice – Goodness of Fit – Forecasting – Moving-Average Models – Properties of MA Models – Identifying MA Order – Estimation – Forecasting Using MA Models – ARMA Models – Properties of ARMA (1,1) Models – General ARMA Models – Identifying ARMA Models – Forecasting Using an ARMA Model.

Unit 3: Testing for Trends and Unit Roots

Unit Root Processes, Testing for Unit Roots- Dickey Fuller Test, Augmented Dickey Fuller Test, Phillips- Perron Test, KPSS Test, Structural Change, Problems in Testing for Unit Roots

Unit 4: Time-varying Volatility Models

Characteristics of Volatility, Stylized Facts, The ARCH Model- Properties and Weaknesses of ARCH Models, The GARCH Model- Extensions to the basic GARCH model, Asymmetric GARCH models, Estimation of the GARCH Models, Stationary ARMA-GARCH Models, Lagrange Multiplier Test, Multivariate GARCH Formulations.

Unit 6: Multivariate Time Series Analysis

Weak Stationarity and Cross-Correlation Matrices, Cross-Correlation Matrices, Vector Autoregressive Models- Reduced and Structural Forms, Estimation and Forecasting with VAR Models, Impulse responses and variance decompositions, Vector Moving-Average Models, Vector ARMA Models.

Unit 7: Co integration and Error Correction Models

Linear Combinations of Integrated Variables, Co-integration and Common Trends, Co integration and Error Correction, Testing for Co integration- Engle- Granger methodology, Johansen Test

Unit 8: The Evaluation and use of Foreign Exchange Rate Forecasting Services

Introduction, Construction of the Portfolio, Different approaches to the evaluation of forecasting services, the portfolio, Composite forecast approach.

Unit 9: High-Frequency Data Analysis and Market Microstructure

Modelling High Frequency Data – Data Sources and Filtering – Modelling the Time between Trades – Intraday Volatility and Forecasting Volatility – Bid-Ask Spread – Empirical Characteristics of Transactions Data – Models for Price Changes – Duration Models.

Unit 9: Introduction to Panel Data Analysis: Fixed Effect Vs Random Effect Model- Dynamic Panel data analysis.

Note: *The students will be trained in software packages for performing econometric applications.*

Suggested Readings:

- Baltagi, B.H. (2008), *Econometric Analysis of Panel Data*, 4th Edition, Wiley
- Brooks, Christopher (2002), *Introductory Econometrics for Finance*, Cambridge University Press.
- Campbell, Lo and Mackinlay (1997), *The Econometrics of Financial Markets*, Princeton University Press.
- Gouriéroux, Christian and Jasiak, Joann (2001), *Financial Econometrics*, Princeton University Press.
- Gujarati, Damodar and Porter, Dawn (2009), *Essentials of Econometrics* 4th Ed., Mcgraw-Hill/Irwin.
- Hamilton James (1994), *Time Series Analysis*, Princeton.
- Dougherty, Christopher (2007), *Introduction to Econometrics*, 3rd Ed., Oxford University Press.
- Studenmund, A. H. (2010), *Using Econometrics: A Practical Guide*, 6th Ed., Addison-Wesley.
- Tsay, Ruey S. (2002): *Analysis of Financial Time Series*, Wiley Series in Probability and Statistics.

IBEF-A-13 Corporate Finance & Treasury Management

Objectives: The course aims at providing understanding of capital budgeting techniques, the advantages of using Net Present Value versus Internal Rate of Return to calculate the value of financing decisions or projects, when and how to use payback periods and risk analysis to rank financing decisions, identify the formulae for calculating cash flows resulting from investments and their use to determine the profitability of a financing decision or project for a business. It also aims to make the students understand scope and functions of treasury management.

Unit 1: Introduction: Finance Manager's Role – Separation of Ownership and Management Objectives of the Firm and Corporate Governance – Financial Statements and Cash Flow – Financial Statements Analysis and Long-Term Planning

Unit 2: Working Capital Management: Working Capital Components – Leverage – Cash management – Receivables Management – Inventory Management – Financing Current Assets – Regulation of Bank Finance.

Unit 3: Capital Budgeting: Measures of Investment - Choice Investment and Financing Decisions – Time Value of Money – Net Present Value – Internal Rate of Return – Discounted Payback Period – Cost of Capital – Selection of Criteria Risk, Return and Opportunity Cost of Capital Valuation of Bonds and Common Stock Scenario Testing and Sensitivity Analysis Strategy V Investments – Practical Problems in Budgeting – Agency, Compensation and Performance Measure.

Unit 4: Patterns of Financing: Internal Funds – Common Stock – Debt – Financial Markets/Institutions – Issue of securities – Venture Capital – Initial Public Offering – Security Sales and Auctions – Private Placements and Public Issue Junk Bonds.

Unit 5: Capital Structure & Financing of Long Term Capital: Planning Capital Structure – Capital Structure Choice Extended Probabilistic Analysis – Dividend Payout Policies – Share Valuation – Sources of Long Term Capital – Debt Securities – Debt Policy and Leverage Risk Management.

Unit 6: Use of Derivatives and Corporate Finance: Options and Corporate Finance – Options and Corporate Finance: Extensions and Applications – Warrants and Convertibles – Derivatives and Hedging Risk.

Unit 7: Definition and traditional role of Treasury in bank - Modern Function of Treasury - Sources of Profits of Treasury

Unit 8: Treasury Operations - Global scenario - Scope and Functions of Treasury Management - Objectives of the Treasury - Organizational Structure

Unit 9: Integrated Treasury - Cost Centre and Profit Centre - Nature and Structure of Integrated Treasury

Unit 10: Risk Analysis and Control - Risk Profile of Treasury Activities viz. - Financial and Operational Risk - Market to Market Value at Risk (VAR) - Open Positions and Open Position Limits

Unit 11: Bond Dynamics - Role of Information Technology in Treasury Management Accounting Valuation of Elimination of Exposures

BASIC READING LIST

- Ross, Stephen, Westerfield, Randolph, Jaffe, Jaffrey (February 2002), Corporate Finance, 6th Ed., McGraw-Hill Companies.
- Copeland, T., Weston, F., and Shastri, K. (2004), Financial Theory and Corporate Policy, 4th Ed., New York: Addison-Wesley.
- Avadhani, V. A. (2010), Treasury Management in India, Himalaya Publishing House
- Kulkarni P. V., Financial Management, Himalaya Publishing House
- HarbansLalVerma, Management of Working Capital, Deep & Deep Publications

IBEF-A-14 International Trade Law

Objectives: The objective of the course is advancing legal knowledge in the field of international trade law and transnational contract law and related provisions of public and private international law. To introduce the role of International Chamber of Commerce, the concept of features of Intellectual Property Law, Information Technology law, law relating to International carriage of goods, etc.

Unit 1: Trade Policies and the International Monetary system

- 1.1 Import-substituting Industrialisation, costs and benefits
- 1.2 Trade liberalisation in the Developing countries in the 1980s
- 1.3 Globalisation and its advantages and disadvantages
- 1.4 Gold Standard, Inter-war years, the Bretton Woods system and the Present scenario
- 1.5 GATT

Unit 2: WTO

- 2.1 Agreement of establishing WTO
- 2.2 Objectives, scope, function, structure, Membership and withdrawal.
- 2.3 Multi-fibre Arrangement (MFA), WTO Agreement on textiles and clothing
- 2.4 Agreement on Trade-related aspects of International Property Rights (TRIPs)
- 2.5 WTO and Anti-dumping
- 2.6 WTO and India

Unit 3: International Sale of Goods and Services

- 3.1 Meaning and formation of contracts for international sale of goods.
- 3.2 Frustration of contracts
- 3.3 Special trade terms in international sales contracts
- 3.4 UNIDROIT principles of international commercial contracts, 2004
- 3.5 HAGUE convention relating to a uniform law on the international sale of goods, 1964

Unit 4: United Nations and International Trade

- 4.1 The U.N. Convention on contracts for the international sales of goods, VIENNA convention, 1980
- 4.2 The U.N Convention on the Limitation period in the international sale of goods, 1974 and 1980
- 4.3 The U.N. Convention on International Bills of Exchange and International Promissory notes, 1988
- 4.4 The UNCITRAL Model Law on International Credit Transfers, 1992
- 4.5 The U.N. Convention on the Assignment of Receivables in International Trade, 2001

Unit 5: International Chamber of Commerce and global trade

- 5.1 International Chamber of Commerce- its Origin, organs and functions
- 5.2 Commercial Letters of Credit
- 5.3 Rules of arbitration of ICC
- 5.4 Amicable Dispute resolution rules of ICC

Unit 6: Law relating to International Carriage of Goods

- 6.1 International transport
- 6.2 Carriage of Goods by sea
 - Bill of lading
 - International conventions governing the bill of lading
 - United Nations convention on the carriage of goods by sea
 - The Indian Bills of Lading Act, 1856
- 6.3 U.N. Convention on International Multimodal Transport of goods

6.4 Carriage of Goods by Air

- The Warsaw Convention
- Carriage by Air Act, 1972

6.5 Carriage of goods by Land

- The Berne Convention
- Carriage of Goods by Rail (The Railways Act, 1989)
- The carriage by Road Act, 2007

MODULE 7: Custom Duties

7.1 Customs Law

7.2 Prohibition and Detection of Illegally Imported and Exported Goods

7.3 Provisions relating to carriage of Imported and Exported Goods

7.4 Levy of custom duties

7.5 Payment of duties, interest etc.

7.6 Confiscation of Goods and Conveyances

Unit 8: Intellectual Property Laws

8.1 Copyright Act, 1957, Patent Act, 1970, Trademarks Act, 1999, Designs Act, 2000, Geographical Indication of Goods (Registration and Protection) Act, 1999, Protection of Plant Varieties and Farmers' Rights Act, 2001

8.2 Copyright, Patent, Trade Mark and Trade Dress, Trade Secrets, Other Laws

8.3 Software and Computers, Music Industries, Films and Televisions, Manufacturing Industry, Pharmaceutical Industry

8.4 International Treaties and Conventions, International Patents, Trade Marks, Copyrights, Jurisdictional Issues

8.5 IP Portfolio Management, IP Audit, IP Broking, IP Insurance, Information Technology

Unit 9: Features of Information Technology Law

9.1 Introduction to Digital Technology and Multimedia

9.2 Salient Features of Information Technology Act, 2000

9.3 Internet and IPR, Internet and Jurisdictional issues, Internet and Crime

9.4 E-commerce and E-banking

9.5 Economic Approach to Information Technology

Unit 10: International Trade Law: the Indian perspective

10.1 Indian Foreign Trade Policy 2009-2014

10.2 International Payments- Indian Law of Negotiable Instruments, Bankers Commercial Credit, Bank Guarantees and Securities

BASIC READING LIST

- Indira Carr, (2009). International Trade Law, Routledge-Cavendish
- Daniel Bethlehem, Isabelle Van Damme, Donald McRae, and Rodney Neufeld (2012) The Oxford Handbook of International Trade Law
- Bhala Raj, (2008), Dictionary of International Trade Law, Newark, NJ : LexisNexis : Matthew Bender, c2008.

IBEF-A-15 International Relations

Objectives: This course acquaints students with the core concepts, processes, and issues of international relations such as power, the international system, balance of power, hegemony, conflict, cooperation, integration, globalization, interdependence, dependence, regimes etc., The course identifies the key actors in international relations including states, intergovernmental organizations, non-governmental organizations, transnational corporations, global civil society, and individuals, and attempts to understand how these actors interact to give substance to international relations. The course aims to demonstrate knowledge of the key dimensions, events and processes of international relations within their historic and economic context, such as the features and effects of globalizing market capitalism, growing environmental problems, and human rights.

Unit 1: Introduction

- 1.1 Introducing the discipline, its nature and scope
- 1.2 International Relations Theory- Realism, Liberalism, Marxist approach

Unit 2: Brief History of World Politics post-1945

- 2.1 Rise of the Super Powers- the USA and USSR
- 2.2 Cold War-ideological and strategic bipolarity; End of Cold War
- 2.3 Post 1991 World Order- Unipolarity, US hegemony
- 2.4 Contemporary scenario- decline of USA and rise of the rest

Unit 3: International Political Economy

- 3.1 Introduction to the study of international political economy-evolution of international economic relations in trade, finance, and economic development
- 3.2 The workings of the international order from the point of view of political economy, MNCs and TNCs
- 3.3 Examination of effects of national policies and international collaboration of public and private international financial institutions, in particular management of international debt crisis, economic policy coordination, and the role of international lender of last resort.

Unit 4: The Politics of International Trade and Finance

- 4.1 Theories of trade and protectionism, focusing both on relations among advanced industrial nations and on relations between developed and developing countries. standard and strategic trade theory, nontariff barriers to trade, export-led growth strategies, regional trade agreements, and the future of the WTO.
- 4.2 The welfare and distributional aspects of international trade and finance as they relate to the politics of economic policy making; globalization in historical perspective; origins and consequences of trade policy; exchange-rate arrangements; international capital flows; currency crises; economic development

Unit 5: International Law and Organizations

- 5.1 International Economic and Trade law, International Environmental Law, International Nuclear and space law, International Diplomatic law, International Human Rights Law: Migrant Population., Conflict between international legal obligations and domestic politics of citizenship, immigration, asylum, and human trafficking.
- 5.2 The theory and function of IOs (UN, NATO, EU, World Bank, IMF) in promoting international cooperation in security, peace-keeping, trade, environment, and human rights and challenges faced by them.

Unit 6: - Special and Contemporary Issues in International Relations:

- 6.1 Growing Regional Cooperation in International Relations
- 6.2 Terrorism
- 6.3 Nuclear Proliferation
- 6.4 Climate Change
- 6.5 Human Rights and Gender Justice

Unit 7: INDIA'S FOREIGN POLICY

- 7.1 Making of India's Foreign Policy: - Foundations of Indian foreign policy and its evolution since 1947; objectives, strategies of engagement – bilateralism and multilateralism
- 7.2 India's Nuclear and Security Policies
- 7.3 India's Interface with its Neighbors
- 7.4 Foreign Policy of India towards South Asian Countries, position of India in SAARC, India's bi-lateral engagements with the South Asian countries, i.e Pakistan, Bangladesh, Nepal, Bhutan, Sri Lanka, Maldives, Afghanistan.
- 7.5 India and the Major Powers – USA, EU, Russia , Japan, and China.
- 7.6 India's approach to major global issues; Disarmament –arms control - cross border terrorism, environmental position, and Human right

References:-

1. Baylis, John and Steve Smith(ed) Globalization of World Politics- An Introduction to international relations OUP ,2014
2. Goldstein, Joshua S and Pevehouse, Jon C, 2010 International Relations, Pearson
3. Gilpin, Robert; Global Political Economy, Princeton University Press, 2001
4. Harihara Das, Principles of International Law and Organization (New Delhi: Vikas Publishing House Pvt. Ltd., 1994).
5. J. N. Dixit, Indian Foreign Policy and its Neighbours, New Delhi: Gyan Publishing, 2001.
6. Jawaharlal Nehru, India's Foreign Policy: Selected Speeches, September 1946-April 1961 New Delhi: Publications Division, Ministry of Information and Broadcasting, Govt. of India, 1961
7. **Klein, Naomi (2014), *This Changes Everything: Capitalism vs. The Climate Change*, New York: Simon & Schuster**
8. Margaret Karns and Karen Mingst, eds., International Organizations: The Politics and Processes of Global Governance Lynne Rienner Publishers, 2009.
9. Mohan, C Raja (2003), *Crossing the Rubicon: The Shaping of India's New Foreign Policy*, New Delhi: Penguin Books
10. **Muni, S. D and Iftikhar A. Lodhi (2010), *The Emerging Dimensions of SAARC*, New Delhi: Foundation Books.**
11. Muni, S.D and Girijesh Pant (2005), *India's Search for Energy Security: Prospects for Co-operation with Extended Neighborhood*, New Delhi: Observer Research Foundation.
12. Nehru, Jawaharlal (1934), *Glimpses of World History*, London: Penguin Books.
13. Prasad, Vijay (2009), *The Darker Nations: A Biography of the Short-lived Third World*, New Delhi: LeftWords.

Articles

1. Harshe, Rajen (2006), "Culture, Identity and International Relations", *Economic and Political Weekly*, 41:37, 3945-3951.
2. Kahler, Miles (1998), "Rationality in International relations" *International Organisation*, 52:4, pp.919-941.
3. Tellis, Ashley J (2014), "The geopolitics of the TTIP and the TPP", *Adelphi Series*, 54:450.
4. Wright, Thomas (2015), "The Rise and Fall of the Unipolar Concept", *The Washington Quarterly*, 34:7, pp. 7-24.

IBEF-A-16 The Economics of Multinational Enterprises

Objective: This course is designed to provide an in-depth understanding of the nature and development of multinational enterprise organization and to view this as an evolving and changing process. The course provides a sound grounding in policy and regulatory issues relating to the operations of multinational enterprises in the context of changing international patterns of production. The course addresses both the internal organization of multinational enterprises and the economic effects of their operations, and promotes understanding of the inter-relationship between corporate organization, corporate operation and impact.

Unit 1: Theory and organization of Multinational Enterprises

- 1.1 Foreign Direct Investment
- 1.2 Industrial Organization theories
- 1.3 Location and internalization
- 1.4 Vertical Integration
- 1.5 Transaction Cost theories
- 1.6 Organization of MNEs

Unit 2: Multinational Finance

- 2.1 Financial practices of Multinationals
- 2.2 opportunities, costs and risks of Multinational Operations
- 2.3 Factors influencing corporate finance decisions

Unit 3: MNE and International Trade

- 3.1 International Trade and Multinational corporations
- 3.2 Innovation and production in the global economy
- 3.3 Multinational corporations and Trade structure
- 3.4 Gains from trade

Unit 4: MNE and Income Distribution

- 4.1 MNE and factor mobility
- 4.2 Impact of MNEs on the host country
- 4.3 Heated controversy between role of MNEs: creating Economic growth or increasing inequality?

Unit 5: Short Term financial Management in Multinational Corporation

- 5.1 Introduction
- 5.2 Short Term Borrowing and Investment
- 5.3 Where should Surplus Cash be Held?
- 5.4 Centralized versus Decentralized Cash Management

Unit 6: International Project Appraisal

- 6.1 Introduction
- 6.2 Difficulties in Appraising a Foreign Project
- 6.3 The Adjusted Present Value (APV) Framework
- 6.4 The APV Approach to Evaluating International Projects
- 6.5 An Example
- 6.6 Conclusion

Unit 7: Outsourcing

Outsourcing, offshoring, digital outsourcing, implication for developed and developing countries

Reference:

- J.H. Dunning and S.M. Lunda, *Multinational Enterprises and the Global Economy* (Cheltenham: Edward Elgar 2008).
- Y. Cassis, *Big Business. The European Experience in the Twentieth Century* (OUP 1999 (paperback)).
- A.D. Chandler and B. Mazlish (eds), *Leviathans. Multinational Corporations and the new global history* (Cambridge University Press 2005).
- S.D. Cohen, *Multinational Corporations and Foreign Direct Investment: Avoiding Simplicity, Embracing Complexity* (Oxford University Press 2007)
- A.S. Eichner, *The Megacorp & Oligopoly. Microfoundations and macro dynamics* (M.E. Sharpe, N.Y. 1976)
- J.K. Galbraith, *The New Industrial State* (Princeton University Press 1976/2007)
- G. Jones, *Multinationals and Global Capitalism: From the Nineteenth to the Twenty First Century* (Oxford University Press, 2005)
- *The Oxford Handbook of International Business* (Alan Rugman and Thomas Brewer eds, Oxford University Press, 2000)
- W. Milberg (ed), *The Megacorp & Macrodynamics. Essays in Memory of Alfred Eichner* (M.E. Sharpe, N.Y. 1992)
- C. Pitelis and R.Sugden, *The Nature of the Transnational Firm* (Routledge, 2nd ed 2000).
- L. Sklair, *Globalisation Capitalism and its Alternatives* (Oxford University Press, 3rd ed, 2002).
- St. Brakman and H. Garretsen, *Foreign Direct Investment and the Multinational Enterprise* (MIT Press 2008)
- Krug, J.A. and J.D. Daniels, *Multinational Enterprise Theory*, 3 vols (Sage Publications 2007)
- A.E. Fernández and B. Hogenboom (eds), *Big Business and Economic Development. Conglomerates and Economic Groups in Developing Countries and Transition Economies under Globalisation* (Routledge 2007).
- Apte, P. G., *International Financial Management*, 6th Edition, Tata Mcgraw-hill, New Delhi

IBEF-A-17 Commercial Geography

Objectives: To understand the scope, content and dynamic aspects of Commercial Geography. To acquaint the students about natural resources and their role in trade. To introduce different modes of international transport and communication.

Unit 1: Introduction to Commercial Geography

- 1.1 Definition, nature and scope, relation with other branches.
- 1.2 Approaches to the study of commercial geography.
- 1.3 Meaning of environment, physical or natural environment and cultural or manmade environment, various factors affecting commercial activities of man
 - a) Physical or natural factors: Location, climate, physiography or land relief, soil, animals, minerals, vegetation, water bodies, extent and shape of a country.
 - b) Cultural or manmade factors: Transportation and communication, science and technology, settlement, government political situation, racial and ethnic composition.
- 1.4 Commercial activities: Primary, secondary, tertiary and quaternary activities.
- 1.5 Theories of determinism and possibilism, stop and go determinism.

Unit 2: Natural Resources and their role in trade

- 2.1 Classification of resources and conservation of resources.
- 2.2 Forest resources: Types of forest, uses of forests, major forest products.
- 2.3 Animal resources: Cattle rearing, dairy cattle, dairy farming regions, beef cattle, world distribution of beef cattle, sheep rearing, wool sheep, mutton sheep, pig farming, poultry farming, sericulture and aquaculture.
- 2.4 Marine resources: Factors favoring fishing, kinds of fisheries, major fishing grounds of the world. Pisciculture (fish farming). Operation flood program and Blue Revolution.
- 2.5 Mineral resources: World production and trade in iron ore, copper, bauxite, gold, silver, diamond.
- 2.6 Power resources: World production and trade in coal, petroleum, natural gas, hydro-electricity and atomic or nuclear energy, factors affecting for harnessing hydro-electric power.
- 2.7 Agriculture resources: Types of agriculture, world distribution and trade in wheat, rice (paddy), maize (Indian corn), tea, coffee. Green revolution.
- 2.8 World distribution of iron and steel industries, cotton textiles, chemical and petrochemical, ship building and paper industry.
- 2.9 Weber's theory of industrial location, Losch theory of profit maximization.

Unit 3: Transport and communication

- 3.1 Merits and demerits of various modes of transport.
- 3.2 Major ocean routes – The North Atlantic; Major ship canal – The Suez Canal, the Panama Canal, the Great Lakes-St. Lawrence seaway; Major Trans-Continental Railway – the Trans-Siberian Railway; Major International Ports.
- 3.2 Satellites communication role in enhancing trade in India.

BASIC READING LIST

- Commercial Geography – Sir Dudley Stamp
- II Fundamental of Economic Geography – Van Royen & Bengston

IBEF-A-18 Foreign Exchange Derivatives

Objectives: This course provides an in depth understanding of various derivative securities and markets. It covers options, futures, forwards, swaps, interest rate forwards and options, commodity derivatives. It aims at giving the conceptual understanding as well as practical knowledge about derivative markets in India.

Unit 1: The Nature and measurement of Exposure and Risk

- 1.1 The Nature of Exposure and Risk
- 1.2 Exchange Rate and Interest Rate Volatility; Recent Experience
- 1.3 Foreign Exchange Exposure and Risk
- 1.4 Classification of foreign Exchange Exposure and Risk
- 1.5 Accounting Treatment of Transaction and Translation Exposure
- 1.6 Operating Exposure
- 1.7 Exchange Rates, Interest Rates, Inflation Rates and Exposure

Unit 2: Forwards, Swaps and Interest Parity

- 2.1 Introduction
- 2.2 Arbitrage without Transaction Costs
- 2.3 Arbitrage with Transaction Costs
- 2.4 Swaps and Deposit Markets
- 2.5 Option Forwards
- 2.6 Forward-Forward Swaps - Swap Positions
- 2.7 Forward Exchange Rates in India
- 2.8 A Cautionary Note

Unit 3: Currency and Interest Rate Futures

- 3.1 Introduction
- 3.2 Futures Contracts, Markets and the Trading Process
- 3.3 Futures Prices, Expected Spot Prices and Forward Prices
- 3.4 Hedging and Speculation with Currency Futures
- 3.5 Interest Rate Futures
- 3.6 Hedging and Speculation with Interest Rate Futures
- 3.7 Summary

Unit 4: Foreign Currency Options

- 4.1 Introduction
- 4.2 Options on Spot, Options on Futures and Futures Style Options
- 4.3 Options Terminology
- 4.4 Price Quotations
- 4.5 Elementary Option Strategies
- 4.6 Hedging with Currency Options
- 4.7 Principles of Option Pricing
- 4.8 Option Pricing Models
- 4.9 Option Deltas and Related Concepts
- 4.10 Future Options

Unit 5: Hedging, Speculation and Management of Transactions Exposure

- 5.1 Introduction
- 5.2 To Hedge or not to Hedge
- 5.3 Using the Forward Markets for Hedging Transactions Exposure
- 5.4 Hedging with the Money Market
- 5.5 Hedging with Currency Options
- 5.6 Hedging with Currency Futures

- 5.7 Internal Hedging Strategies
- 5.8 Speculation in Foreign Exchange and Money Markets
- 5.9 Summary

Unit 6: Management of Operating Exposure

- 6.1 Introduction
- 6.2 Operating Exposure and Real Exchange Rate
- 6.3 The Price and Quantity Effects of Exchange Rate Changes: A General Overview
- 6.4 An Exporter Firm
- 6.5 An Importer Firm
- 6.6 Currency of Invoicing, Quantity Inertia and Operating Exposure
- 6.7 Assessing Operating Exposure
- 6.8 Coping with Operating Exposure

BASIC READING LIST

- Hull, John, C. (2009), Options, Futures, and Other Derivatives, Pearson Prentice Hall.
- Kolb, Robert W., and Overdahl, James A. (2003), Financial Derivatives, John Wiley & Sons, Inc.
- Chance, Don M., and Brooks, Robert (2008), Introduction to Derivatives and Risk Management. Thomson South Western.
- Whaley, Robert E. (2006), Derivatives: Markets, Valuation, and Risk Management, John Wiley & Sons, Inc.
- Schofield, Neil C. (2007), Commodity Derivatives: Markets and Applications, John Wiley & Sons, Inc.
- Apte, P. G., International Financial Management, 6th Edition, Tata Mcgraw-hill, New Delhi

IBEF-A-19 WTO Trade Regulations

Objective: The objective of the course is to introduce different International Trade regulations like TRIPs, TRIMs, GATs, Anti-dumping laws, SPS and TBT Agreement, etc. and the effects of these regulation on free flow of goods and services.

Unit 1: The World Trade Organization (WTO) –

- 1.1 The World Trade Organization: its founding and aims
- 1.2 The treaties administered by the WTO.
- 1.3 Operation of the WTO and its dispute-resolution panels.
- 1.4 The failure of the WTO's Millennium Round: aims, key issues and Disputes.

Unit 2: TRIMS

Background, legal framework, example of TRIMS explicitly prohibited by TRIMS agreement, exceptional provisions of the TRIMS agreement, implication for India.

Unit 3: TRIPS

Background, the requirement of TRIPS, implication for developing countries,

Unit 4: General Agreement on Trade-in Services (GATs)

World Trade in Services and GATs, GATs and Role of Regulations in Service Trade, GATs and WTO dispute settlement, the GATs and financial services, GATs and cultural services

Unit 5: Trade in Agriculture

Agreement on Agriculture (AoA) - Domestic support, market access, export subsidies, the stand of developed and developing countries; Agricultural trade changing patterns, changing world environment for agricultural trade; international trade, environment and sustainable agricultural development.

Unit 6: Anti-dumping

Economics of dumping, calculating margin of dumping, injury to domestic industry, relief to domestic industry, investigation process, anti-dumping duties, case studies.

Unit 7: SPS and TBT Agreement

General provisions, basic rights and obligations, harmonization, equivalence, assessment of risk and determination of appropriate levels of SPS protection, control, inspection and approval procedures technical assistance, dispute settlements, different issues for developed and developing countries

Unit 8: Trade and Environment

Trade liberalization and welfare, North –South Trade and pollution heavens, UNFCCC, Kyoto Protocol and clean Development mechanism, SPS and TBT, concerns for developing countries, Environmental Problems in transborder externalities.

Unit 9: Foreign Direct Investment (FDI)

Types of FDI, Theories of International Investment, Patterns of FDI, Policy Framework to Promote Foreign Direct Investment, Horizontal FDI and the Proximity-Concentration Hypothesis, Vertical FDI, Impact of Multinationals and Foreign Direct Investment Policy, FDI Trends in India.

BASIC READING LIST

- Krugman, P. R. & Obstfeld, Maurice, (2008). *International economics: Theory & policy*, Addison-Wesley, May.
- D Salvatore, (2009). *International Economics*, John Wiley & Sons, December.
- Bhagwati, Jagdish. 2002. *Free Trade Today*, Princeton, Princeton University Press.
- Bhagwati, Jagdish. 2002. *In defense of Globalization*, New York, Oxford University Press.
- Kern Alexander and Mads Andenas, (2008). *The World Trade Organization and Trade in Services*, BRILL

IBEF-A-20 International Economic Institutions

Objective: The objective of the course is to introduce different international institutions like WTO, World Bank, IMF, IFC, OECD and their roles and functions in monitoring international flow of capital, goods and services.

Unit 1: Introduction to the Study of International Economic Institutions

Understanding the need for International Economic Institutions.

Unit 2: International Chamber of Commerce

- 2.1 Objectives
- 2.2 Guidelines
- 2.3 Self-Regulation by Business

Unit 3: The World Bank Group

- 3.1 The IBRD's aims and its financial structure.
- 3.2 The IBRD's resource-drawing policy.
- 3.3 The IBRD's loan policy.
- 3.4 The IBRD and the environment.
- 3.5 The International Finance Corporation (IFC).
- 3.6 The International Development Agency (IDA)
- 3.7 The Multilateral Investment Guarantee Agency
- 3.8 The World Bank's evolving role in the post-Cold War era.

Unit 4: The International Finance Corporation (IFC).

- 4.1 The International Development Agency (IDA).
- 4.2 The Multilateral Investment Guarantee Agency
- 4.3. The World Bank's evolving role in the post-Cold War era.
- 4.4 The International Monetary System and the International Monetary Fund (IMF)
- 4.5 IMF features: the quota system, the Articles of Agreement, membership conditions.
- 4.6 The IMF's policies and its instruments. Special Drawing Rights (SDR), stand-by arrangements, extended facility, enlarged access
- 4.7 The IMF's role in the international economy: oversight of exchange-rate stability, debt rescheduling, balance-of-payment assistance.
- 4.8 The IMF's efforts to battle corruption and bad governance.
- 4.9 The IMF and its handling of the international debt problem.
- 4.10 Origins and growth of foreign debt in the seventies.
- 4.11 The institutional response to the debt crisis: debt renegotiation and rescheduling following the IMF's lead.
- 4.12 The 1997 East Asia crisis. Causes and action taken.

Unit 5: The Organization for Economic Cooperation and Development (OECD)

- 5.1 Objectives and institutional make-up of the OECD
- 5.2 OECD activities and functions
- 5.3 The OECD and development: The Committee of Aid for Development

Unit 5: Multilateral Regional Banks: ADB, BRIC Bank, SAARC Bank

Reading List:

- Thummuluti Siddahiah, (2011), *International Financial Management*, Pearson
- Apte, P. G., *International Financial Management*, 6th Edition, Tata Mcgraw-hill, New Delhi

Foreign language (French/German/Japanese/Chinese/Spanish)

Unit 1: Salutations

- 1.1 To greet the people and say Good afternoon, Good Evening, Goodbye, ask name and say your name, seek clarification and help, numbers from 1 to 10
- 1.2 To say where you live. Describe your house and members of your family. Weights and Measures, length & breadth, use of decimal system, area and volume. Cardinal numbers & Ordinal Numbers.
- 1.3 Ask and give personal information, Nationality, profession and language, Numbers from 11 to 50. To ask time by clock and by span, days of the week, months of the year.

Unit 2: Conversation Skills:

- 2.1 To ask and express interests, Preferences; likes and dislikes; to invite, to accept the invitation or to politely decline the invitation; hobbies and how to spend your leisure.
- 2.2 To talk about the weather; to talk about the daily personal routine and related activities. Seasons & holidays in France/Germany/Japan. Introduction to letter writing and email writing.
- 2.3 To talk about clothing, size colour, material. Purchase at a super market, modes of payment. To name and explain human body to express common bodily ailments (fever, headache etc)

Unit 3: Geographical Description

- 3.1 Country, location on the world map, borders and neighboring countries, ports and industrial towns.
- 3.2 Information and clarification of places. Asking for directions to the public places. Modes of Transport, Numbers 51 to 1000.

Unit 4: Business

- 4.1 Visit to a restaurant, to express agreement/disagreement; to ask for price/quantity
- 4.2 To ask about personal past events, to narrate personal experience, to comprehend difference between letters like Personal/Business Letters, telegram & e- mail; formats of Letter head and e mail.
- 4.3 To talk about/express future actions, to plan a business trip with related requirements: hotel, tickets, car, Rent a car, places to visit, traffic signs etc. Documents required like Passport, International Driving license, Insurance cover etc.
- 4.4 Vocabulary relating to the Transactions at the Post office, Bank, Insurance Company – personal, health, accident, marine... equivalent terms of transaction – fob, c.i.f, f.a.s, payment through Letter of credit. Etc.

Grammar: Future tense, imperfect tense, degrees of comparison, imperative mood. Script, Letters of alphabet, accents, sounds of groups of letters, punctuation marks, articles, nouns, sing./Pl, genders; mas. /fem. Structure of sentences & types like affirmative, negative interrogative & negative interrogative, Verbs: classes of verbs and conjugation patterns, Pronominal verbs; Present tense, The idea of auxiliary verb; prepositions; pronouns- subject, interrogative, relative, possessive, emphatic ; adjectives, adverbs