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FOREIGN TRADE PRACTICES AND PROCEDURES

Contents for Non-Semester Courses

Periods

Paper I-1 BASICS OF FOREIGN TRADE

Objectives: To familiarise the students with the basic principles of foreign trade and the environment in which foreign trade takes place.

- Why trade takes place? Theories of International trade 6
- Balance of Trade and Balance of Payments 4
- Objectives of Trade policy and role of foreign trade in economic growth. 2
- Instruments of trade Policy - tariffs, quantitative restrictions, exchange control and exchange rate adjustments. 9
- International economic institutions - GATT, UNCTAD, IMF and World Bank 6
- Trade Blocs and Regional Economic Cooperation 3

Paper-I-2 INDIA'S FOREIGN TRADE

Objectives : To familiarise the students with the position of India's foreign trade, import and export policies and various promotion measures adopted by the Government.

	Period
- Analysis of India's Foreign-Trade Growth trends, composition and direction	4
- India's Balance of Payments including invisibles	4
- Assessment of Prospects - Products and markets	4
- India's trade agreements	3
- Salient features of India's export-import policy	4
- Institutional set-up for export promotion	3
- Export Assistance measures, free trade zones and 100% EDUs	4
- State trading in India	2
- Sources and analysis of foreign trade statistics	2

Books for

Paper - 1 International economics by P.T. Ellsworth
 International Economics by C.P. Kindleberger

Paper - 2 Annual Reports of the Ministry of Commerce
 Annual Economic Surveys
 Import and Export Policy 1992-97.

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Paper-JI-1 ELEMENTS OF EXPORT MARKETING

Objectives: To familiarise the students with the nature and scope of international marketing as also the four Ps of International marketing

	Period
- Role of exports, scope of export marketing and why should a firm export	6
- Selection of export products	2
- Selecting export markets	4
- Direct and indirect export and role of export houses	3
- Channel selection and appointment of agents, agency agreement and payment of agency commission	3
- Promotion abroad, use of mailing lists, advertisement abroad, and participation in trade fairs and exhibitions	4
- Legal aspects of export contracts including INCOTERMS	4
- Arbitration and settlement of disputes	4

Books : Export Management by TAS Balagopal

Export Management by S.R. Ullal

International Marketing Management by Varshney and Bhattacharyya.

Paper-II-2 FOREIGN TRADE FINANCING AND PROCEDURES

Objectives: To familiarise the students with the various methods and procedures of foreign trade financing, foreign exchange rates, costing and pricing for exports and the various institutions involved in export financing.

	Period
- Export Payment Terms including letters of credit and their operation	4
- Pre-shipment and post-shipment finance	4
- Import finance and letters of credit and operation thereof	3
- Role of Banks in foreign trade finance	1
- Obtaining ECGC Policy and filing claims	3
- Obtaining long term export credit from EXIM/Bank	3
- Costing and Pricing for exports	6
- International capital markets, foreign exchange rates, exchange fluctuations and obtaining forward cover	6

Books: Finance of Foreign Trade by Keshkamat
Finance of Foreign Trade by G.S. Lall

Paper-III - 1 SHIPPING AND INSURANCE PRACTICES AND PROCEDURES

(56)

Objectives: To make the students aware of the shipping, and insurance practices and procedures which constitute the essential services for the operation of foreign trade

	Periods
- Role of shipping, liners and tramps, bills of lading and Charter Party	4
- Determination of freight	2
- Containerization and other developments	2
- Air transport and procedures involved in the determination of freight and booking of cargo space	3
- Multi-modal transport and the procedures involved	2
- Packing and marking for exports	2
- Forwarding and clearing agents and their operations	3
- Cargo insurance, its importance, basic principles, types of cover, types of losses and determination of premium	6
- Obtaining a cover and filing a claim	4

Books: Export Management by T.A.S. Rajgopal
Export Management by S.R. Ullal

10

B.A.M. - Paper II

910

Paper-III - 2 FOREIGN TRADE DOCUMENTATION AND PROCEDURES

Objectives: To familiarise the students with the basic documents involved in foreign trade, processing of an export order, customs clearance of export and import cargo, and negotiation of documents.

	Period
- Need, rationale and types of documents	4
- Obtaining export and import licences	3
- Processing an export order	4
- Pre-shipment inspection and quality control	2
- Foreign exchange and GR formalities	3
- Excise and customs clearance of export cargo	4
- Shipment of goods and port procedures	3
- Customs clearance of import cargo	3
- Post-shipment formalities and procedures	3
- Claiming duty drawbacks and other benefits.	3

Books: Handbook of Import and Export Procedures
Export What, Where and How by Paras Ram