

INSTITUTE	FACULTY OF MANAGEMENT STUDIES
PROGRAM	BACHELOR OF BUSINESS ADMINISTRATION (HONS.)
SEMESTER	6
COURSE TITLE	INTERNATIONAL TRADE FINANCE & FOREX RISK MANAGEMENT
COURSE CODE	04BH1605
COURSE CREDITS	3

Course Outcomes: After completion of this course, student will be able to:

- 1 Understanding Trade Finance products, and the benefits and importance of each product, positives & flaws of each products
- 2 Meaning of Exchange rate
- 3 Identify business risks and mitigation strategies
- 4 Knowledge of the hedging tools like Forward Contract, Options etc.

Pre-requisite of course:NONE

Teaching and Examination Scheme

Theory Hours	Tutorial Hours	Practical Hours	ESE	IA	CSE	Viva	Term Work
30	0	0	50	50	0	0	0

Contents : Unit	Topics	Contact Hours
1	International Trade Finance Letters of Credit (LC) – Process of issuance of a Letter of Credit, Parties to an LC, Risks while handling an LC transaction & mitigants, Types of LCs Bank Guarantees (BG) – Meaning & Process of Issuance, Text of a Bank Guarantee, Parties to a BG, International guidelines, Invocation of a Bank Guarantee	10
2	Export Finance Pre Shipment and Post Shipment finance, Bill Discounting, Factoring, Forfeiting Import Finance: Regular working capital limits, Buyers and Suppliers Credit, External Commercial Borrowings, FEMA guidelines	10
3	Treasury & Foreign Exchange Management Exchange rate Mechanism, Factors impacting Exchange rates, Various hedging tools – Forward Contract, Options, Swaps	10
Total Hours		30

Textbook :

- 1 International Business, V K Bhalla, Anmol Publications, 2013
- 2 International Business: Text and Cases, P. SubbaRao, Himalaya, 2019

References:

- 1 The International Business Environment, The International Business Environment, Anant K Sundaram and J Stewart Black, PHI New Delhi , 2012
- 2 International Business, International Business, Rakesh Mohan Joshi, Oxford, 2009
- 3 International Trade Finance, International Trade Finance, IIBF, IIBF, 2017

Suggested Theory Distribution:

The suggested theory distribution as per Bloom's taxonomy is as follows. This distribution serves as guidelines for teachers and students to achieve effective teaching-learning process

Distribution of Theory for course delivery and evaluation					
Remember / Knowledge	Understand	Apply	Analyze	Evaluate	Higher order Thinking
10.00	20.00	25.00	25.00	10.00	10.00

Instructional Method:

- 1 THEORY