

## Group C: INTERNATIONAL BUSINESS

<b>MBE II Year</b>	<b>MBE- 311/411</b>		<b>Semester-III/IV</b>		
	<b>International Trade Practices, Procedures and Documentation</b>				
Time Allotted for End Semester Examination	Marks Allotted for Internal Assessment	Marks Allotted for End Semester Examination (ESE)	Maximum Marks (MM)	Total Credits	Maximum Hours
<b>3 Hrs.</b>	<b>30</b>	<b>70</b>	<b>100</b>	<b>03</b>	<b>40</b>

**OBJECTIVE:** The objective of this paper is to acquaint the students with the trade practices, procedures and documentation of international trade.

- EXIM Operations and Documentation: Trade operations and documentation; Documentation areas and dimensions; Nature and characteristic features of Exim documents; EDI and documentation. EXIM Policy Framework: Legal framework, Policy overview – Facilities and restrictions; Getting started in export business. **(8 hours)**
- Foreign Exchange Facilities and Regulations: Legal framework in India FEMA. Origin and objectives, Main provision of FEMA; Other relevant acts .International Trade Terms:Trade contract and trade terms; Trade terms and need forst and ardization; INCO terms. Export Payment Terms: Credit risk management and payment terms; Main features of payment terms. Advance payment, open account, documentary collection, documentary credit– Documentary collection –DP and DA process and operation; Letter of credit and parties involved; Process of opening and advising LC, Types of LC; Process and operation; UCPDC.Major clauses; Consignment sale.**Case Study1:** Cross rate in foreign exchange. **(8 hours)**
- Trade Finance: Sources and schemes of trade finance; Pre and post.shipment export credit schemes and methods of financing; Packing credit advance details; Post.shipment advance; Import financing. Transit Risk Management: Nature of transit risk; Contract of cargo insurance Parties involved – Insurer/assured, Insurance policy and certificate; Cargo loss claims – Procedure and documentation. Credit Risk Management: Export credit insurance – Concept and importance; Role of Export Credit Guarantee Corporation (ECGC); Covers issued by ECGC; Financial guarantees; Coverage of commercial and political risks– procedures and documentary requirements. **(8 hours)**
- Central Excise Clearance: Excise duty – Definition, rationale, stages of levying and collection; Meaning of manufacturing; Type of duties; Legal framework – Central Excise Act and Rules, Central Excise Tariff Act; Valuation; Options of refund and movement in bond– Rules 12, 13 and 14 Procedures and documentary requirements.**Case Study2:** documentary credit: M/S Auto India. **(8 hours)**
- Customs Clearance of Export and Import Cargo: Legal framework – Introduction to Customs Act1962; Introduction to Customs Tariff Act 1975; Introduction to Foreign Trade (Development and Regulations) Act 1992; Valuation and types of duties and Harmonized System of Nomenclature; Documentation requirements and document processing; Physical examination of goods; EDI and customs operations. Duty Drawback: Concept and rationale; Procedure and documentation. Import Policy and Export Promotion: Duty exemption schemes; Import of capital goods; Export, trading star trading, super star trading house policy and procedures; EoU's/EPZs/SEZs schemes and procedures. **(8 hours)**

### **SUGGESTED READINGS:**

1. Bhalla,V.K.andRamu,S.(2001).*International Business Environment and Management*,5th ed.Anmol,Delhi.
2. Desai, H.B. (1988).*Indian Shipping Perspectives*. AnupamPublications,Delhi.
3. Government of India.(2012).*Handbook of Import and Export Procedures*.Government of India,NewDelhi.
4. Paras, R.,( 1995). *Export What, Where and How*. Anupam Pub, NewDelhi.
5. **CaseStudy1:**<https://nebula.wsimg.com/c4e596dc12fc8b554ce2435a30ae7995?AccessKeyId=A83663472B839ECDD54B&disposition=0&alloworigin=1>
6. **Case Study 2:** <http://www.scdl.net/downloads/samplecsib.pdf>

**NOTE:** The list of cases and specific references including recent articles will be announced in the class.