

Group C: INTERNATIONAL BUSINESS

MBE II Year	MBE- 311/411		Semester-III/IV		
	International Trade Practices, Procedures and Documentation				
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
3 Hrs.	30	70	100	03	40

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 for standardization; 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; UCP600.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. and Ramu, S. (2001). *International Business Environment and Management*, 5th ed. Anmol, Delhi.
2. Desai, H.B. (1988). *Indian Shipping Perspectives*. Anupam Publications, Delhi.
3. Government of India. (2012). *Handbook of Import and Export Procedures*. Government of India, New Delhi.
4. Paras, R., (1995). *Export What, Where and How*. Anupam Pub, New Delhi.
5. **Case Study 1:** <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.