

**Department of Commerce
University of Delhi**

Course : B.Com(Hons)	Semester : VIth
Subject : International Business	
Paper No. : DSE BCH - 6.4 (c)	

The meeting for the above-mentioned paper was held at Atma Ram Sanatan Dharma College on 6th January 2018 at 11:00am. The following guidelines were set in the meeting with the consent of all teachers and the representative of Department of Commerce, University of Delhi.

The following aspects were agreed upon to maintain uniformity in the pattern of teaching at various colleges:

- A tentative allocation of hours of teaching of various sections of the syllabus.
- Any other matter relating to coverage and depth of teaching, if any.

General Guidelines

- Number of lectures assigned: 65
- Duration 3 Hours
- Total marks: 100 (25 Marks internal Assessment + Question Paper should be of 75 Marks)
- Question paper should comprise 5 questions of 15 marks each (with internal choice), requiring comprehensive coverage of entire syllabus. The questions may have sub parts. Expected number of questions from each of the units I, II, III, IV and V are 1.5, 1, 1, 1 and 0.5 questions, respectively.

Unit-wise Guidelines

COURSE CONTENTS:

Unit I:

(18 Lectures)

1. Introduction to International Business: Globalization and its growing importance in world economy; Impact of globalization; International business contrasted with domestic business;

complexities of international business; Internationalization stages and orientation (EPRG framework); Modes of entry into international business.

2. **International Business Environment:** National and foreign environments and their components- physical, economic, demographic, cultural and politico-legal environments; Global trading environment- recent trends in world trade in goods and services and trends in India's foreign trade (volume, composition and direction of trade from 2005 to 2016).

Unit II:

(13 lectures)

3. **International Trade:** Theories of international trade (mercantilist, classical, factor proportion, Leontief Paradox, Linder's Income Preference, PLC, National Competitive Advantage theories); tariff and non-tariff measures (diagrammatic explanation); Balance of Payment account (as per latest IMF standards) and its components (structure, components, equilibrium and disequilibrium).

4. **International and Economic Organizations:** WTO (also WTO and India), UNCTAD, World Bank and IMF (only short notes).

5. **Regional Economic Integration:** Forms of regional integration; Integration efforts among countries in Europe (EU), North America (NAFTA) and Asia (SAARC and ASEAN); cost and benefit of regional economic integration.

Unit III:

(13 lectures)

6. **International Financial Environment:** International financial system and institutions; Foreign exchange markets, spot market, spot rate quotations, bid-ask spreads, trading in spot markets, cross exchange rates, forward market: forward rate, long and short forward positions, forward premium and discount. Arbitrage, hedging and speculation; Foreign investments-types and flows; Foreign investment in Indian perspective (only policy decisions post liberalization).

No numerical to be asked from this unit.

Unit IV:

(13 lectures)

7. **Exchange Rate Determination:** Factors affecting exchange rate- relative inflation rates, relative interest rates, relative income levels, government controls (only overview), expectations (only overview), etc. Government intervention and government influence on exchange rates (only fixed and floating exchange rates and convertibility). Theories of exchange rate- Purchasing Power Parity, Interest Rate Parity and Fisher's Effect.

Unit V:

(8 lectures)

8. Foreign Trade Promotion Measures and Organizations in India: Special economic zones (SEZs) and 100% export-oriented units (EOUs); Measures for promoting foreign investments into and from India; Indian joint ventures and acquisitions abroad.

Only short notes to be asked from this unit.