

## **BA5031 INTERNATIONAL TRADE FINANCE**

### DETAILED SYLLABUS

#### **UNIT I INTERNATIONAL TRADE**

International Trade – Meaning and Benefits – Basis of International Trade – Foreign Trade and Economic Growth – Balance of Trade – Balance of Payment – Current Trends in India – Barriers to International Trade – WTO – Indian EXIM Policy.

#### **UNIT II EXPORT AND IMPORT FINANCE**

Special need for Finance in International Trade – INCO Terms (FOB, CIF, etc.) – Payment Terms – Letters of Credit – Pre Shipment and Post Shipment Finance – Forfaiting – Deferred Payment Terms – EXIM Bank – ECGC and its schemes Import Licensing – Financing methods for import of Capital goods

#### **UNIT III FOREX MANAGEMENT**

Foreign Exchange Markets – Spot Prices and Forward Prices – Factors influencing Exchange rates – The effects of Exchange rates in Foreign Trade – Tools for hedging against Exchange rate variations – Forward, Futures and Currency options – FEMA – Determination of Foreign Exchange rate and Forecasting.

#### **UNIT IV DOCUMENTATION IN INTERNATIONAL TRADE**

Export Trade Documents: Financial Documents – Bill of Exchange- Type- Commercial Documents - Proforma, Commercial, Consular, Customs, Legalized Invoice, Certificate of Origin Certificate Value, Packing List, Weight Certificate, Certificate of Analysis and Quality, Certificate of Inspection, Health certificate. Transport Documents -Bill of Lading, Airway Bill, Postal Receipt, Multimodal Transport Document. Risk Covering Document: Insurance Policy, Insurance Cover Note. Official Document: Export Declaration Forms, GR Form, PP Form, COD Form, Softer Forms, Export Certification, GSPS – UPCDC Norms.

#### **UNIT V EXPORT PROMOTION SCHEMES**

Government Organizations Promoting Exports – Export Incentives : Duty Exemption – IT Concession – Marketing Assistance – EPCG, DEPB – Advance License – Other efforts I Export Promotion – EPZ – EQU – SEZ and Export House.

## Diploma, Anna University-UG, PG., HSC & SSLC

*Notes*  
*Syllabus*  
*Question Papers*  
*Results and Many more...*

Available @  
[www.AllAbtEngg.com](http://www.AllAbtEngg.com)

### **TEXT BOOKS**

1. Apte P.G., International Financial Management, Tata McGraw Hill, 2011.
2. Jeff Madura, International Corporate Finance, Cengage Learning, 9th Edition, 2011.

### **REFERENCES**

1. Alan C. Shapiro, Multinational Financial Management, PHI Learning, 5th Edition, 2010.
2. Eun and Resnik, International Financial Management, Tata McGraw Hill, 5th Edition, 2011.
3. Website of Indian Government on EXIM policy

### **OBJECTIVES**

To enable student

- Understand export import finance and forex management
- Understand the documentation involved in international trade