

# **Diploma in Foreign Trade Practices and Procedures**

## **SYLLABUS** (Subject to revision, if any)

The syllabus has been modified from the session (2008-09) on the basis of the feedback from the pass-out students and suggestions from export houses. Resource persons from IIFT, New Delhi and IMS Ghaziabad have also helped in this endeavour. Further changes are in the process.

### **Semester I :**

*Paper I. International Trade Environment and WTO.*

*Paper II. Theories of Trade and Foreign Exchange.*

*Paper III. International Marketing.*

### **Semester II :**

#### **Paper IV. India's Trade Policy**

*Paper V. Export Procedures and Export Documentations*

*Paper VI. Project Work*

The detailed syllabus of each paper is given below:

## **SEMESTER - I**

### **Paper I**

#### **International Trade Environment and WTO**

1. Global Economic Scenario: Historical Development of International Trade in context of GATT, UNCTAD, WTO and India.
2. Globalization and its Impact on Developing World with special reference to market, industry, quality of products and services, competition and trade.
3. Regional Economic Cooperation
  - i) European Union
  - ii) ASEAN
  - iii) NAFTA
  - iv) SAFTA
  - v) Various Dimensions and Future Prospects of Economic Regionalism.
4. Evolution of WTO and Its Different Agreements.
5. Subsidies: Types of Subsidies and Its Role In International Trade.
6. Intellectual Property Rights :
  1. Patents,
  2. Trademarks, 3. Copyrights, 4. Designs and Layouts, 5. Integrated Circuits, 6. Geographical Indications
7. Trade Related Laws, and International Negotiations.
8. New International Economic Order and WTO Regimes and Its Impact on Specific Export Items and Industry.

### **PAPER II**

#### **Theories of Trade and Foreign Exchange**

1. Importance of Foreign Trade: Internal and International Trade. Comparative Advantage & Competitive Advantage. Theoretical development from David Ricardo to Michel Porter.
2. New Theories of Trade: Inter Industry, Intra Industry Trade under Imperfect Market,

Strategic Trade Theory.

3. Terms of Trade: Determination, Types, Terms of Trade for Developing Nations; Prebisch-Singer Thesis.
4. Theories of Foreign Exchange : Bullion Based, Purchasing Power, Balance of Payment, Basket of currency, Spot Rate, Forward Rate, Real and Nominal Effective Exchange Rate, Cross Currency Rates, Hedging, Speculation, Tobin Tax.
5. Balance of Payment: Balance of Trade and Balance of Payment Adjustment Mechanism, Review of India's Balance of Payment.

## **PAPER III**

### **International Marketing**

1. Identifying Foreign Markets: Domestic vs. International Marketing, Planning for Export.
2. Marketing Entry and Overseas Distribution System, Distribution Logistics for Exports, Promoting Products Internationally, Overseas Market Research.
3. Marketing Plan for Exports, Decision – Making Frame Work for Export Operation, the Techniques in International Marketing for export cost & prices.
4. E-Commerce and E-Trade, Derivatives and Foreign Currency Market, Financial Market Developments.
5. Terms of Payments and Export Finance, Management of Risks In International Marketing. Types of Risk & their management.
6. Multinationals: Their Role in International Marketing, Theories of Direct Foreign Investment and Portfolio Investments, Indian Experience. Mergers and Acquisitions in International Scenario

## **SEMESTER II**

### **Paper IV**

### **India's Trade Policy**

1. India's Trade : Composition & Direction.
2. Historical review of trade policy.
3. Trade Policy since 1991.
4. Instruments of Import Policy.
  - (a) Import Substitution
  - (b) Import restrictions
    - i) Licensing: Types of Licensing – OGL, Canalized, Replenishment, Automatic; Advance and Additional License; Holding of License, Third party, Exim scripts, Conditions of license, Negative List.
    - ii) Tariff: Types of Tariffs, Tariffs rates, Bind rates.
    - iii) Quantitative Restrictions.
    - iv) Anti Dumping, Countervailing Duties.
    - v) FERA, FEMA.
5. Export Promotion Policies: Export led growth and Export support growth, Review of Export Promotion Policies since 1991.
  - (a) EPCG scheme.
  - (b) Duty drawback.

- (c) DE passbook scheme.
  - (d) Gem and Jewellery Promotion Scheme.
  - (e) Other Export Promotion Schemes.
  - (f) Export Promotion: Institutional set up – Export Houses, EPZ, FTZ, EHTP, STP, SEZ, AEZ, 100% E.O.U., Focus Market & Focus Product Scheme.
6. Trade Promotion Institutions
- (a) S T C & Other Trading Corporations
  - (b) Export Councils
  - (c) Commodity Boards.
  - (d) Development Authority (APEDA, MPEDA)

## **PAPER V**

### **Export Procedure And Export Documentation**

1. Significance of Exports :

Export Prospects of a Country.

- (a) Search of Product: Types, Schemes, Factors.
- (b) Search of Market: Determinants & Schemes.

Guidelines for International Business Negotiations:

Appointing Sales Agents Abroad, Processing of an Export Order

Registration of Exporters, Importers

- (a) Import Export Code Number.
- (b) Registration cum membership certificates.

Quality Control and Pre shipment Inspection

Labelling, Marking, Packing and Packaging.

2. Risks in Export Trade

- (i) Marine Risks, Marine Insurance.
- (ii) Market Risks, ECGC

3. Exports Finance

- (i) Pre-shipment Finance
- (ii) Post-shipment Finance
- (iii) Role of Exim Bank

**4. Export Logistics**

Freight Forwarder

Export Document

Care in preparing export document

Document related to Excise clearance

A.R.(4) – Form

Softex - Form

P.P. - Form

Documents related to customs clearance : Lorry Ticket

Documents related to foreign exchange clearance : Bill of shipment.

Documents related to transportation and procedures.

L/C, Types of L/C UCP 600

Invoice, Types of Invoices / Performa, consular, legalized.

5. Documents required for Preparation of main documents :

Bill of Lading

Auxiliary documents

Mate's Receipt

Inspections Certificate

Insurance Certificate

Place of Origin

Packing/Shipping note

Antiquity

Black List Certificate and others

6. Aligned documents system

Master documents - I

Master documents - II

## **PAPER VI**

### **Project Work**

- 1) Various Concepts and Types of Projects
- 2) Methods of Data Collection and their graphical and diagrammatical representation.
- 3) Research process and formulation of research /project designs.
- 4) Statistical tools and their uses in Research Process.
- 5) Hypothesis Formulation, Hypothesis testing and test result reporting.
- 6) Project Report Writing.
- 7) Case Study Methods and its important features.
- 8) Various steps for case studies methods in India's leading export items such as Garments, Gems and Jewellery, software, handicrafts, leather goods, Agro products, Electronics, Transport Equipments, Consultancy, Software exports and Managing Quality Control, Environment concerns and labour standards in India's Exports under WTO regime.