

# INTERNATIONAL TRADE AND FINANCE

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### **SYLLABUS**

### UNIT-1: INTERNATIONAL TRADE

International Trade - Meaning and Benefits - Basis of International Trade - Trade as an engine of growth-Inter-regional and international trade—Theory of Absolute Cost Advantage— Comparative Advantage theory—Haberler's Opportunity Cost theory—Heckscher Ohlin theorem—Leontief Paradox— Neotechnological trade theory- Kravis theory of Availability Intra-Industry Trade Models of Krugman- Neo -Heckscher -Ohlin TheoryForeign Trade and Economic Growth - Balance of Trade -Balance of Payment - Current Trends in India - Barriers to International Trade – WTO – Indian EXIM Policy.

## UNIT-2: EXPORT AND IMPORT FINANCE

Evolution of foreign exchange markets- Foreign Exchange rate determination: Mint Parity Theory Purchasing Power parity theory, BOP Theory—Exchange rate systems—Fixed and Flexible exchange rates—Managed Floating systems—Nominal, Real and Effective exchange rate-Forward rate, Spot rate- Speculation and arbitrage, role of expectations, currency swaps, future and options
— Foreign Exchange Risks—Hedging and Speculation—IMF and
International Liquidity Management—Indian Rupee and its
fluctuations in international currency market. Special Need for Finance in International Trade - INCO Terms (FOB, CIF, etc.,) -Payment Terms - Letters of Credit - Pre Shipment and Post Shipment Finance - Fortfaiting - Deferred Payment Terms - EXIM Bank - ECGC and its schemes Import Licensing - Financing Methods for import of Capital goods.

# UNIT-3: 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

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# Understanding the Microbiome Interactions in Agriculture and the Environment

