

International Business
International Business
[GENERIC CORE]

Semester: IV

Credits: 3

Subject Code: BB42104

Lectures: 48

Course Outcomes:

At the end of the Course, the learner will be able to,

- Recall and describe the theoretical aspects of International Business and Trade.
- Relate and explain the concepts of International Finance, the foreign exchange market and the Balance of Payments situation.
- Discuss and analyze the role and functions of various International Institutions
- Explain and analyze the concept and role of Foreign Investment and Foreign Capital.
- Analyze the relation of Foreign Trade and Economic Development with country specific references

Unit 1: Introduction

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- Introduction to International Business and International Trade, The Nature, Scope, Importance and Limitations of International Business and International Trade, The roles of Trade and International Monetary Relations. The Theory of Mercantilism.
- The Theory of Absolute Advantage, Concept and Mathematical Illustration, Absolute Advantage and Gains from Trade, The Labour Theory of Value.
- The Theory of Comparative Advantage, Concept and Mathematical Illustration, Large Country Versus Small Country.
- The Heckscher-Ohlin Model, Concept, Assumptions, Criticisms, Meaning of Factor Intensity for Fixed and Variable Coefficients of Production, Factor Abundance, Factor Price Equalization.

Unit 2: International Finance

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- The Foreign Exchange Market, The Basis of the Forex Market, A Hypothetical Clearing House, Organization of the Market, Exchange Rate Systems- Fixed, Flexible, Managed, Floating.
- Concept of Par Value or Peg, Devaluation, Revaluation, Adjustable Peg, Crawling Peg, Arbitrage, Exchange Risk – Hedging and Speculation, Spot and Forward Transactions, Forward Premium and Discount, Spot and Forward Speculation.
- Balance of Payments, Double Entry Book Keeping, The Balance of Trade, The Balance of Current Account, Capital Account and The BOP, Equilibrium and Disequilibrium in the BOP, Autonomous and Accommodating Capital Flows
- Objectives, Features and Functions of International Monetary Fund and World Bank.



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Unit 3: Economic Integration

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Evolution, Structure, Objectives and Functions of:

- European Union
- USMCA
- Association of South East Asian Nations
- South Asian Association for Regional Cooperation
- Economic Integration among Developing Countries, Millennium and Sustainable Development Goals

Unit 4: Foreign Investment, International Trade and Economic Development

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- Types of Foreign Private Investment, Significance of Foreign Investment, Trade and Investment, Factors affecting International Investment.
- Multinational Corporations – Definition, Concept of MNCs, Role and Importance of MNCs in Developing Countries.
- Foreign Trade and Economic Development, Government Policies and Economic Development-Trade Liberalization and Open Trade Policies, Role of WTO in Economic Development
- Foreign Capital and Aid in Economic Development, Two-Gap Model and Cost-Benefit Analysis
- The Debt Problem in LDCs, New International Economic Order (NIEO)

12 hours for Library work, practical or field work or research purposes

Recommended Text Books:

- Chacholiades Miltiades, *International Economics*, McGraw Hill Companies, 1990
- Krugman Paul R. and Obstfeld Maurice, *International Economics Theory and Policy*, Pearson Education Asia, 2000
- Cherunilam Francis, *International Business Text and Cases*, Prentice-Hall India, 2006
- Jotwani Kiran, *International Business*, Nirali Prakashan, 2014
- Sodersten Bo, *International Economics*, Macmillan, 1981

Reference Books:

- Aswathappa, K, *International Business*, MC Graw Hill Education(India) PVt Ltd, New Delhi 2014.
- Jhingan M L, *International Economics*, Vrinda Publications, New Delhi, 2016.
- Khedkar B D; Dandat Nilesh; Gite Tanaji, *International Economics*, Success Publications, Pune 2015.
- Hill Charles W L and Jain Arun K, *International Business*, Tata McGraw Hill Education Private Limited, New Delhi, 2011
- Dr. Khedkar B.D., Dr. Shankar Girija, Dr. Shinde G. S., Dr. Shaikh Nasir, Prof. Thorat Rahul D. *International Business*, 2014



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E-Resources:

- <https://nlist.inflibnet.ac.in/> (Contact the St Mira's College Library for login credentials)
- <https://search.ebscohost.com/> (Contact the St Mira's College Library for login credentials)

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