

International Business

Semester IV	✓	Subject Code: BB41604	Lectures: 60
-------------	---	-----------------------	--------------

Objectives:

The Syllabus aims in equipping students with,

- A balance among theories, frameworks, concepts and cases
- The reasoning capacity through application of mathematical and graphical techniques
- The knowledge of strategies and structures of International Business
- The functions and form of the Global Monetary System

Unit 1: Introduction	10
<ul style="list-style-type: none"> • 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 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, Misconceptions about Comparative Advantage • 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	14
<ul style="list-style-type: none"> • 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 	



<p>Disequilibrium in the BOP, Autonomous and Accommodating Capital Flows</p> <ul style="list-style-type: none"> • Macroeconomic Policy Goals in an Open Economy – Internal Balance and External Balance (a) Internal Balance – Full Employment and Price-Level Stability (b) External Balance – The Optimal Level of the Current Account, Problems with Excessive Current Account Surpluses and Deficits. • Objectives, Features and Functions of International Monetary Fund and World Bank. 	
---	--

Unit 3: Regional Economic Grouping	10
<p>Evolution, Structure, Objectives and Functions of</p> <ul style="list-style-type: none"> • World Trade Organization • European Union • North Atlantic Free Trade Agreement • Association of South East Asian Nations • South Asian Association for Regional Cooperation 	

Unit 4: International Investment and Multinational Corporations	07
<ul style="list-style-type: none"> • Types of Foreign Private Investment, Significance of Foreign Investment, Trade and Investment, Factors affecting International Investment • Foreign Direct Investment in the World Economy, Trends in FDI, Direction of FDI, The Sources and Forms of FDI • Multinational Corporations – Definition, Meaning and Types of MNCs, Role and Importance of MNCs in Developing Countries 	

Unit 5: Case Studies	07
<ul style="list-style-type: none"> • Introduction to the Case Study Method of study Case Studies in International Business based on • International Marketing • International Finance • International Human Resource Management 	

*Contact hours – 12 hours



Recommended Text Book:

- ✓ 1. *International Business* by Kiran Jotwani, Nirali Prakashan, 2014

Reference Books:

1. W. Charles Sawyer and Richard L. Sprinkle, *International Economics*, Prentice Hall of India Pvt. Ltd. Delhi. 2003
2. M. L. Jhingan, Vrinda Publications, *International Economics*, Delhi. 2006
3. K Aswathappa, *International Business*, TataMcGraw Hill
2. Miltiades Chacholiades, *International Economics*, McGraw Hill Companies, 1990
3. Paul R. Krugman and Maurice Obstfeld, *International Economics Theory and Policy*, Pearson Education Asia, 2000
4. Francis Cherunilam, *International Business Text and Cases*, Prentice-Hall India, 2006
5. Charles W L Hill and Arun K Jain, *International Business*, Tata McGraw Hill Education Private Limited, New Delhi, 2011
6. Dr. B.D. Khedkar, Dr. Girija Shankar, Dr. S. G. Shinde, Dr. Nasir Shaikh, Prof. Rahul D. Thorat, *International Business*, 2014
7. Bo Sodersten, *International Economics*, The Macmillan Press Ltd, 1981

