

UNIVERSITY OF PUNE

Board of Studies in Economics

Post Graduate Diploma in Foreign Trade (PGDFT)

SEMESTER - I

- PAPER 1 - MANAGERIAL ECONOMICS
- PAPER 2 - INTERNATIONAL ECONOMICS AND FOREIGN EXCHANGE MANAGEMENT
- PAPER 3 - INTERNATIONAL LOGISTICS
- PAPER 4 - PRINCIPLES OF MARKETING
- PAPER 5 - QUANTITATIVE METHODS
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SEMESTER - II

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- PAPER 11 - COMMERCIAL GEOGRAPHY
- PAPER 12 - ASSIGNMENTS AND PROJECTS

SEMESTER I

MANAGERIAL ECONOMICS

PAPER-1

1. INTRODUCTION; Nature and scope of managerial economics, Theory of firm, Concepts and functions of profit, Micro economics and managerial economics, Basics of maximization and optimization. Applications
2. DEMAND Analysis; Demand for a commodity ,Individual Demand and Market demand, Price ,Income and Cross elasticity of demand, Use of Elasticity in managerial decision making, Estimation of demand, Qualitative Forecasting
3. Cost theory and estimation; short and long run cost curves, plant size and scale economies, International trade in inputs and labour immigrations, Cost volume profit analysis, operating leverages, Empirical estimation of cost function
4. Market structure and pricing decisions; Monopoly, Price discrimination and dumping, Oligopoly, and market concentration, Oligopoly models, non price competition, Game theory Linear programming, Pricing of multiple products.
5. INVESTMENT; Financing and other medium and long term decision, Risk analysis Risk and Uncertainty in Managerial decision making ,Measuring Risk ,Utility theory and Risk Aversion, Decision making under uncertainty, Capital Budgeting ,Process of Capital budgeting NPV and IRR, Capital Rationing and Profitability Index,

Cost of Capital, Its structure, cost of equity capital ,CAPM, and international competitiveness

Product market and corporate strategies, Vertical integration Diversification ,Decision to invest abroad

Suggested Readings :

Managerial Economics in a global Economy by Salvatore

Managerial Economics by W. D. Reekie and J. N. Crook

Economics by Stiglitz

Microeconomics by G.Mankiw

Microeconomics for management students .Dholakia and Oza

INTERNATIONAL ECONOMICS AND FOREIGN EXCHANGE MANAGEMENT

PAPER 2

1. Introduction to International economics; HECKCHER OHLIN theory of international trade.
2. Free trade and protection ;Tariff, Quotas and subsidies
3. GATT and WTO
4. Custom union and Regional grouping its impact on world trade
5. Meaning of foreign exchange management with reference to India
6. INCOTERMS; CIF,FOB,CIP, India FOREX Scenario, L.E.R.M.S. ,Convertibility
7. Uniform custom practice of docu credits -93 revision ,ICC paris publication 500 clause 1 to 49 with case studies
8. Uniform rules collection-97 revision clause 1 to 2 with case studies
9. Introduction to Exchange rate mechanism; Spot ,Forward rate, Exchange arithmetic
10. Deriving Actual exchange Rate; Forward ,swaps ,future and options

International Logistics

PAPER 3

1. International Logistics: definition and importance.
2. Different modes of transport used in International Trade. – Sea Freight, Air Freight, Road & Rail Freight, Pipe Line Transport.
3. Types of cargo & packing requirements.
4. Types of vessels for Ocean Freight.
5. Types of shipping services: liner and tramp services, importance and comparison.
6. Different Inco Terms- terms of delivery. As per applicable ICC publication.
7. Types of International Transport Documents - Bill of lading& it's types, Air way bill ,Lorry Receipt , Post Parcel Receipt, Courier Receipt, Multimodal Transport Document.
8. Types of containers used for Ocean Freight.
9. Types of Freight – Advance Freight, Dead Freight, Ad – Valorem Freight, Back Freight .
10. Surcharges on freight charges. – Bunkering Surcharge, Currency Surcharge, Heavy Lift & Long Length Surcharge, Congestion Surcharge.
11. Intermediaries in Shipping Business – Customs House Agent, Freight Broker, Shipping Agents- a) Port Agents, b) Liner Agents.
12. Carriers liability.
13. Transshipment & Part Shipment.

Suggested Readings:

1. International Logistics by Pierre David, Biztantra Publications New Delhi.
2. Logistics and Supply Chain Management - Cases and Concepts. – By G Raghuram & N Rangaraj Mac Millan.
3. Logistics & Supply Chain Management (Strategies for reducing cost & improving service) – Martin Christopher (FT financial Times/Pitman publishing)

Principles of Marketing Management

PAPER 4

1. Introduction to Marketing: Definition, Scope, Importance, Functions, Marketing Process & Market Planning
2. Consumer Behavior: Concept, Characteristics of Consumers
3. Marketing Environment
 - Marketing Information System [MIS]
 - Analyzing needs and trends: Macro & Micro environmental factors
 - Market Potential & Market Share
 - PEST Analysis
4. Segmentation: Concept, Importance & Benefits
 - Product
 - Market
5. Marketing Mix / Product Mix
 - 4 Ps / 7Ps
 - Components of each 'P'
 - Significance in competitive environment
 - Product mix strategies
 - Product Life Cycle
6. Marketing Strategies
 - Product planning and development
 - Market planning and development
 - Price: Definition, Types, Determination, Pricing strategies and policies
7. Market Evaluation & Controls
 - Brand, Trade Mark and Copy Rights
 - Competitor Analysis
 - Marketing Audit
 - Need and Significance of marketing control
8. Marketing Channels
 - Types, Selection criteria, Benefits, Strategies
 - Physical Distribution: Definition, Need, Importance
 - Advertising: Definition, Need, Types

Reference Book: Marketing Management by Ramaswamy

QUANTITATIVE METHODS

PAPER-5

- 1.Introduction to Quantitative Techniques-Meaning and use, Statistical techniques,
- 2.Presentation and Classification of data; Ungrouped and grouped data, frequency distribution ,frequency polygon, frequency curve, Meaning ,importance and characteristic of class intervals, Bar charts Pie charts ,Histograms
- 3.Measures of central tendency; Mean Median Mode Partition values- Quantiles Deciles percentiles
4. Measures of Dispersion-Range Inter-Quartile range, Mean Deviation ,Standard Deviation for grouped and ungrouped data
- 5.Sampling Theory; sample and population ,sampling methods, Sampling Frame, Sampling units. Probability and non probability sampling, Sampling Errors, Advantages and uses of sampling techniques
- 6.Correlation and regression Theory

Suggested Readings :

- 1.Ramkrishnan R and M,G.Diwan ,Statistics
- 2.Tatke J.V. Statistical Methods
3. Tatke J.V. Mathematical Methods
4. Tatke J.V. Quantitative Techniques
- 5.Croxton and Cowden; Introduction to Statistics
6. Freud J. Mathematical Statistics

Semester II

International Marketing

PAPER 7

1. Introduction, Concept, Scope, Objectives, Challenges and Opportunities
2. International Marketing Strategy, Entry Methods, Rules for successful exporting, Channel Selection
3. Product: Development, Positioning, Standardization, Adaptation, Simplification & Pricing
4. Promotion Policy -
 - Concept, Objectives
 - International Advertising Strategy and Management of Advertising Function
 - International Sales Forces and their Management
 - Market Surveys and Research
5. Export Pricing, Tax incentives

Case Study - International Marketing Firm, Field Visit, Workshop

Suggested Reading :

- Website > Ministry of Commerce & Trade
- Website > Ministry of Finance

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INTERNATIONAL FINANCIAL MANAGEMENT

PAPER 8

1. The importance ,rewards and risks of International Finance , a Background to the international financial systems gold and Dollars standards. Case for fixed verses flexible exchange rates
2. Foreign exchange markets ,Spot exchange market, purchase and sale transaction , Exchange quotation ,types of buying and selling rates, Bank settlement accounts, CHIPS, CHAPS and SWIFT ,market clearing and exchange brokers, Forward, Exchange contracts-Features of forward contract, forward exchange premiums and discounts, convention in quoting, Foreign Exchange risk and Exposure management- Economic and Transaction exposure.
3. How to hedge and speculate-Hedging and Speculation via forwards, Futures, options and Swaps
4. International manifestation of Law of one price- The Purchasing Power parity Principle
5. Short term financial markets; Euro Dollars, Euro Currencies ,Euro notes and Multinational banking market efficiency
6. Long term financial markets; Equity and bond financing, Eurobonds and Foreign bonds, Multi currency bonds ,Parallel loans and credit swaps
7. Portfolio analysis ; Selection process of Portfolio

Suggested reading :

- 1 Futures and Option by John Hill
- 2 International Finance by Maurice levi
- 3 International Finance Markets by Richard levich

Export and Import Procedures

PAPER 9

Export Procedures -

1. Preparation for exports: Registration of firms with various Government authorities, PAN No., IE code, BIN No., Export Promotion Council, Central Excise etc.,
2. Category of exports: Direct, Indirect.
3. Category of exporters: Manufacturer exporter, merchant exporter, EOU/SEZ/Biotech Parks / Software Technology Parks/ Types of Export Houses ,
4. Benefits to Exporter: Applicable as per recent Foreign Trade Policy (existing at the time of commencement of course) - Duty drawback, advance authorization scheme, export promotion capital goods (EPCG), duty entitlement pas book scheme, market development assistance, focus product, focus Market, Market access initiative, status holders etc.
5. Complete documentation and procedures for customs clearance of export cargo.
6. Documents in International Trade – Regulatory Documents, Pre Shipment Documents, Post Shipment Documents, Transport Documents, Risk Covering Documents – a) Insurance Policy, b) Insurance Cover Note, e) ECGC Policy etc.

Import Procedures –

1. Necessity of Imports & It's Importance.
2. Identification, selection of suppliers.
3. Purchase contract, terms of payments.
4. Introduction to Foreign Trade Policy (existing at the time of commencement of course – Issued by DGFT.)
Only Over view of –
A) Foreign Trade Policy,
B) Hand Book Of Procedures Vol. I ,
C) Handbook Of Procedures Vol. II , C) ITC (HS) Classification of Import & Export items
D) Schedule of DEPB Rates.
5. Role of a customs house agent.
6. Type of customs duties.
7. Complete documentation and procedures for customs clearance of import cargo .
8. Project Imports under Chapter 98 of Customs Tariff Act.

Official Websites of the national and international institutions can also be referred for updated awareness such as-

- [www .wto .org](http://www.wto.org)
- www.iccwbo.org
- <http://commerce.nic.in>
- <http://dgft.gov.in>
- www.cbec.gov.in
- www.uncitral.org
- <http://untreaty.un.org/cod/avl/index.html>

Suggested Reading:

1. How to Export by Nabhi Publication.
2. How to Import by Nabhi Publication.
3. WTO and India by Anil Kumar Thakur.
4. Foreign Trade Policy – Issued by DGFT.

INDIAN ECONOMY AND TRADE DEPENDENCIES

PAPER 10

- 1.Global trade and its growth. India relative position in world trade. Changes over time
- 2.Analysis of India's Exports and Imports since 1965 ; Commodity ,Composition Geographical direction
- 3.Balance of trade, Balance of Payment ,Government steps to correct BOP, Analysis and changes over time, Changes in the pattern of state Trading in India over time, From state trading to Export promotion, Export Promotion Measures, Institutional Framework for Export promotion ,Free trade Zone and EOUs, Export house, Trading House and star trading house, SEZs
- 4.Exchange control Convertibility of rupee and Impact on Foreign Trade
- 5.FDI and FII in India, Globalisation and emerging foreign trade scenario

Suggested Reading :

1. Foreign Trade management in India by M, L. Verma
2. India's Export and Import Policies in the 1960 by D.Nayyar
3. World Development Report (Recent years)
4. Economic Survey (Recent Years) Ministry of Finance GOI
5. Annual Report (Report Years) Ministry of Commerce GOI
6. India 's Balance of Payment
7. Foreign Exchange Handbook by H.P. Bharadwaj

Commercial Geography

Paper 11

Topic 1: Introduction to Commercial Geography

- a. Definition, nature and scope, relation with other branches.
 - b. Meaning of environment, physical or natural environment and cultural or manmade environment,
 - c. Commercial activities: Primary, secondary, tertiary and quaternary activities
 - d. Factors affecting commercial activities of man
- i) Physical or natural factors: Location, climate, physiography, soil, minerals, vegetation, water bodies.
 - ii) Science and technology, settlement, government policies, racial and ethnic- composition.

Topic 2: Resources and their role in trade

- a. Classification of resources: Renewable and Non-Renewable
 - b. Global distribution of Resources
- i. Forest resources: Types of forest, major and minor forest products
 - ii. Animal resources: World distribution of cattle, sheep rearing, pig farming, poultry, sericulture
 - iii. Marine resources: Major fishing regions of the world, Pisciculture and blue revolution
 - iv. Mineral resources: World distribution and trade in iron ore, copper, bauxite, gold,
 - v. Energy resources: World production and trade in coal, petroleum, natural gas. Hydro electricity and Nuclear energy
 - vi. Agriculture resources: Agriculture systems of the world, intensive and extensive agriculture, commercial grazing, plantation agriculture, truck farming, Green revolution in India
 - vii. World distribution of iron and steel industries, cotton textiles, petrochemical industries, ship building and Information Technology (IT)
 - viii. Weber's theory of industrial location, Losch theory of profit maximization

Topic 3: Transport and communication

- a) Means and modes of transportation
- b) Merits and demerits of various modes of transportation
- c) Major ocean routes - The North Atlantic; Major ship canal - The Suez Canal, the Panama Canal, the Great Lakes-St. Lawrence seaway; Major Trans-Continental Railway - the Trans-Siberian Railway; Major International Ports,
- d) Role of Satellites communication in enhancement of Indian trade.