



ARSD College, University of Delhi

Model Course Handout/Lesson Plan

Course Name : B.Com. (H)						
Semester	Course Code	Course Title	Lecture (L)	Tutorial (T)	Practical (P)	Credit (C)
VI	22417604	DSE BCH 6.4(d): INTERNATIONAL BUSINESS	5	1	0	6
Teacher/Instructor(s)		Dr. Manika Jain				
Session		2021-22				

Course Objective

This course aims to introduce students to the international business, trading and financial environment. Students are also expected to understand the basic features of the foreign exchange market and types of exchange rates. The course also creates awareness about emerging issues such as outsourcing and environmental sustainability in the context of international business.

Course learning outcomes

After completing the course, the student shall be able to:

CO1: understand the process of globalization, its impact on the evolution and growth of international business and to appreciate the changing dynamics of the diverse international business environment.

CO2: analyze the theoretical dimensions of international trade and intervention measures adopted; to appreciate the significance of different forms of regional economic integration and to understand the concept of Balance of payment account and its components.

CO3: understand the significance of different forms of regional economic integration and to appreciate the role played by various international economic organisations such as the WTO, UNCTAD, IMF and World Bank.

CO4: familiarize students with the international financial environment, and get them acquainted with the basic features of the foreign exchange market - its characteristics and determinants.

CO5: critically examine the concept and form of foreign direct investment, and to create awareness about emerging issues in international business such as outsourcing and ecological issues.

Lesson Plan:

Unit No.	Learning Objective	Lecture No.	Topics to be covered
1.	Understand the process of globalization, its impact on the evolution and growth of international business and to appreciate the changing dynamics of the diverse international business environment.	1-5	Introduction to International Business: Globalization and its growing importance in the world economy; Impact of Globalization; International business contrasted with domestic businesses –complexities of international business; Internationalization stages and orientations; Modes of entry into International businesses.
		6-10	International Business Environment: Economic, demographic, cultural and political-legal environment
2.	Analyze the theoretical dimensions of international trade and intervention measures adopted; to appreciate the significance of different forms of regional economic integration and to understand the concept of Balance of payment account and its components.	11-22	International Trade: Theories of International trade - Absolute advantage theory, Comparative advantage theory, Factory proportion theory and Leontief paradox, Product life cycle theory, National competitive advantage theory; Tariff and Non-Tariff Barriers.
		23-25	BOP- Balance of payment account and its components
3.	Understand the significance of different forms of regional economic integration and to appreciate the role played by various international economic organisations such as the WTO, UNCTAD, IMF and World Bank.	26-33	Regional Economic Integration: Forms of regional integration; Integration efforts amongst countries in Europe, North America and Asia: EU, NAFTA and SAARC; Cost and benefits of regional economic integration.
		34-36	International Economic Organisations: WTO, UNCTAD, World Bank and IMF

4.	Familiarize students with the international financial environment, and get them acquainted with the basic features of the foreign exchange market - its characteristics and determinants.	37-45	International Financial Environment: Foreign exchange markets, Spot market, spot rate quotations, bid-ask spreads, trading in spot markets, cross exchange rates, forward markets, forward rate, long and short forward positions, forwards premium and discount; Arbitrage, Hedging and Speculation; Types of exchange rate systems – fixed and floating, soft peg, crawling peg, free float, managed float; Foreign exchange risk and exposure
		46-54	Exchange rate Determination: Types of Exchange rates, Factors affecting exchange rate- relative inflation rates, interest rates, relative interest rates, relative income levels, government controls, expectations.
5.	Critically examine the concept and form of foreign direct investment, and to create awareness about emerging issues in international business such as outsourcing and ecological issues.	55-57	Foreign Direct Investment: Types of FDI - Greenfield investment, Brownfield investments, Mergers & Acquisition, Strategic alliances; Benefits and drawbacks of FDI
		58-60	Developments and Issues in International Business: Outsourcing and its potential for India; International Business & Ecological considerations.

Evaluation Scheme:

No.	Component	Duration	Marks
1.	Internal Assessment	Continuous Assessment	25
	• Quiz		
	• Class Test		
	• Attendance		
	• Case Study		
2.	• Assignment	3 hours	75
	End Semester Examination		
	TOTAL		100

Details of the Course		
Unit	Contents	Contact Hours
I	<p>Introduction to International Business: Globalization and its growing importance in the world economy; Impact of Globalization; International business contrasted with domestic businesses –complexities of international business; Internationalization stages and orientations; Modes of entry into International businesses.</p> <p>International Business Environment: Economic, demographic, cultural and political-legal environment</p>	10
II	<p>International Trade: Theories of International trade - Absolute advantage theory, Comparative advantage theory, Factory proportion theory and Leontief paradox, Product life cycle theory, National competitive advantage theory; Tariff and Non-Tariff Barriers.</p> <p>BOP- Balance of payment account and its components</p>	15
III	<p>Regional Economic Integration: Forms of regional integration; Integration efforts amongst countries in Europe, North America and Asia: EU, NAFTA and SAARC; Cost and benefits of regional economic integration.</p> <p>International Economic Organisations: WTO, UNCTAD, World Bank and IMF</p>	11
IV	<p>International Financial Environment: Foreign exchange markets, Spot market, spot rate quotations, bid-ask spreads, trading in spot markets, cross exchange rates, forward markets, forward rate, long and short forward positions, forwards premium and discount; Arbitrage, Hedging and Speculation; Types of exchange rate systems – fixed and floating, soft peg, crawling peg, free float, managed float; Foreign exchange risk and exposure</p> <p>Exchange rate Determination: Types of Exchange rates, Factors affecting exchange rate- relative inflation rates, interest rates, relative interest rates, relative income levels, government controls, expectations.</p>	18
V	<p>Foreign Direct Investment: Types of FDI - Greenfield investment, Brownfield investments, Mergers & Acquisition, Strategic alliances; Benefits and drawbacks of FDI</p> <p>Developments and Issues in International Business: Outsourcing and its potential for India; International Business & Ecological considerations.</p>	6
	Total	60
Suggested Books:		
Sl. No.	Name of Authors/Books/Publishers	Year of Publication/Reprint
1	Bennett, Roger. <i>International Business</i> , Delhi: Pearson	2006

2	Charles, W L Hill and Jain, Arun Kumar, <i>International Business</i> , New Delhi: Tata McGraw Hill	2017
3	Daniels John. D. Lee H. Radenbaugh and David P Sullivan. <i>International Business</i> , Pearson Education.	2016
4	<p>Additional Resources</p> <ul style="list-style-type: none"> • <i>Economic Survey, various issues</i> • <i>RBI Report on Currency & Finance, various issues.</i> • <i>UNCTAD Reports</i> • <i>Websites: RBI, IMF, WORLD BANK, WTO.</i> • <i>WTO Annual report, various reports</i> 	
Mode of Evaluation:		class participation, assignments, class tests and end semester exam.