

## **FD 604: INTERNATIONAL FINANCIAL ARCHITECTURE**

### **Course Objective:**

This paper will acquaint students with the latest developments in the international business relationships and agencies funding for country's development.

### **Learning Outcomes:**

After completion of this paper:

- Students shall be aware of the latest development in the international business relationships which will enable them to make better decisions related to international business.
- Students shall have the knowledge of different international investment avenues and opportunities available.
- Students shall be aware of various regional trading blocks, international institutions and funding agencies.

### **Course Contents:**

#### **Unit I**

**(3 weeks)**

Review of Economic Theory on International Trade: Basis for international trade; gains from trade; distributional issues, policy instruments and their impact, political economy. Importance, nature and scope of international relation, modes of entry into international business, internationalization process and managerial implications; Domestic, foreign and global environments and their impact on international business decision; Growing concern for green trades.

#### **References:**

Lee H. Radebaugh, Daniel P. Sullivan, Prashant Salwan John D. Daniels International Business Environments and Operations (15<sup>th</sup> ed), Pearson Chapter – 1

#### **Unit II**

**(3 weeks)**

International economic & trading environment: Regional integration and trade blocks, regionalism v/s. multilateralism, European Union, integration of developing countries - BRICS, ASEAN, SAARC, SAFTA, NAFTA, G-20; World trade in goods and services - Major trends and developments; World trade and protectionism - Tariff and non-tariff

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barriers; Counter trade, UNCTAD, WTO, GATT, GATS, TRIM, TRIPS; India's role in facilitating trade relations under BRICS, SAARC, SAFTA, ASEAN and to WTO.

### References:

Lee H. Radebaugh, Daniel P. Sullivan, Prashant Salwan John D. Daniels International Business Environments and Operations (15<sup>th</sup> ed), Pearson Chapter – 2, 3 & 4

### Unit III

(2 weeks)

International investment: Types and significance of foreign investments, factors affecting international investment, growth and dispersion of FDI, Cross border mergers and acquisition, foreign investment in India-Impact of reforms on competitiveness of the Indian Firms, EURO/ADR issues, ECBs; current economic crises in US/Europe/Asia and its impact on economic growth in India.

### References:

Lee H. Radebaugh, Daniel P. Sullivan, Prashant Salwan John D. Daniels International Business Environments and Operations (15<sup>th</sup> ed), Pearson Chapter – 5,6 7, 12, 13, 14 & 15

### Unit IV

(3 weeks)

Economic institutions – International Monetary Funds (IMF), World Bank (IBRD, IDA, IFC), Asian Development Bank, BRICS Development Bank, European Bank for Reconstruction and Development, Bilateral funding arrangements with special reference to Japan International Cooperation Agencies (JICA), agencies of USA; Case studies on Bilateral financing arrangements of Indian projects like Delhi Metro, Dedicated Freight corridor, Nuclear Power Plant etc.

### References:

These MLAs will be studied directly from their respective websites like:

<https://www.imf.org/en/About> ; <https://www.worldbank.org/> ; <https://www.adb.org/> ; <https://www.jica.go.jp>

### Text Books:

1. Lee H. Radebaugh, Daniel P. Sullivan, Prashant Salwan John D. Daniels International Business Environments and Operations (15<sup>th</sup> ed), Pearson
2. Hill, W. L. Charles and Jain, A.K. (2008). International Business (6th ed). India: McGraw Hill

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### **Additional Readings:**

1. Roger, Bennet (1999). International Business, Financial Times. London: Pitman Publishing.
2. Sharan, Vyuptakesh (2003). International Business (2nd ed). India: Pearson Education.
3. Krueger, Anne O. (2002). Economic Policy Reforms and the Indian Economy. OUP.
4. Velasquez, Manuel G. (2012). Business Ethics Concepts and Cases (7th ed.). New Delhi: PHI.

### **Teaching Learning Process:**

Class room lecture, Case study discussion, Numerical Problem solving, Class presentation on the assigned topic by students individually or in group, Workshop, Tutorials, Role play

### **Assessment Method:**

1. Internal evaluation of 25% marks
  - a. Attendance 5% marks
  - b. Two internal evaluations by the teacher with 10% marks each out of which one must be a class test and other may be another test or home assignment or presentation. Faculty may take more than two assignments and (or) tests but total will be only 20% marks.
2. End term University Exam of 75% marks

### **Key words:**

International Trade, Trade blocks, Foreign investments, ECBs, Bilateral financing