



L	T	P/S	SW/ FW	No. of PSDA	TOTAL CREDIT UNITS
2	-	-	4	3	4

Course Title: Risk and Insurance in International Trade

Course Code:

Credit Units: FOUR

Level: PG

Course Objectives:

The course aims at providing understanding of risk management in International Trade. In international trade an organizations faces several risks related to customer, credit/ payment, exchange rate, documentation, transportation, intellectual property, regulatory etc. The objectives of this course is to develop an understanding of kind of risk a business organization faces and also how these risks can be managed.

Prerequisites:

There are no required prerequisites for this course. However, to successfully understand the material, you should have a general understanding of Export and Import.

Course Contents/Syllabus:

	Weightage (%)
Module I: Introduction to Risk	15
<ul style="list-style-type: none">• Definition of Risk• Terminologies of risk management• Evolution of Risk Management• Types of Risk	
Module II: Managing Country & Customer Risks	25
<ul style="list-style-type: none">• Managing Country Risk - PESTEL & SWOT Analysis, Regulatory Framework• Customer Risk – Default, Payment, Credit worthiness, Bankruptcy risk• Managing Customer Risk - Due diligence on buyers credit worthiness, Role of Contracts & party dispute resolution mechanism	
Module III: Financial Risks in International Business	25
<ul style="list-style-type: none">• Managing Payment Risks - Letters of Credit, Documentation compliance, Risks in L/C, International Electronic Fund Transfer mechanism & Role of Banks.• Pre & post-shipment Risks – Discounting, Factoring &	

Forfeiting <ul style="list-style-type: none"> Managing Currency Risk – Rate Volatility, Hedging, Currency Risk Management Tools – Forwards, Futures, Options & Swaps. 	
Module IV: Transit Risks & Insurance	20
<ul style="list-style-type: none"> Transport documents – Marine, Air, Road, Rail, Multi-modal Negotiable & Non-negotiable title documents. Transit Insurance- Types, Terminologies, Clauses, Coverage & Exclusions 	
Module V: Disruptive technologies for Managing Risk	15
<ul style="list-style-type: none"> New technologies on Risk Management Techniques –AI, Blockchain, IoT etc Adoption of new technologies in managing risk 	

Pedagogy for Course Delivery:

Lectures, Trade Statistics, Discussions, Case study, Project, Group presentation and Corporate Guest Lecture

List of Professional Skill Development Activities (PSDA):

Students will organize themselves in groups and select a company/ sector. For the selected company / sector they will :

- Analyze major risks faced
- Financial Risk Management techniques adopted
- Transit Risk Management techniques adopted.

Student Learning Outcomes:

Upon completion, students will be able to:

- Understand and describe terminologies of Risk Management.
- Comprehend risks involved in international trade transactions.
- Understand risks related to Customer, Credit/Payment, Exchange Rate, Documentation, Transit and international regulatory compliance etc.
- Understand various tool and techniques used to mitigate risk
- Comprehend how to use insurance as a tool to mitigate credit and transit risk
- Understand how new technologies help in avoiding risk

Assessment/ Examination Scheme:

Theory L/T (%)	Lab/Practical/Studio (%)	End Term Examination
30	NA	70

Theory Assessment (L&T):

Continuous Assessment/Internal Assessment					End Term Examination
Components (Drop down)	Mid-Term Exam	Project	Assignments	Assignments	
Weightage (%)	10	10	5	5	70

Text & References:

- Ayse Kucuk Yilmaz, Triant Flouris (2017), Corporate Risk Management for International Business, Springer Nature
- Daniels, J.D., Radebaugh L.H., Sullivan D.P. & Prashant Salwan (2013), International Business: Environments and Operations, Pearson Hall, Delhi
- Varma, Sumati (2012), International Business, Pearson Hall, Delhi
- Sundaram and Black, (2013), International Business Environment, Prentice Hall Of India Pvt. Ltd.
- Bhalla and Raju, (2012), International Business Environment, Sage Publication
- Copeland, L.S. (2013), Exchange Rates & International Finance, Pearson Education

