

**ALLAMA IQBAL OPEN UNIVERSITY, ISLAMABAD
(Department of Business Administration)**

INTERNATIONAL BUSINESS & FINANCE (8536)

CHECKLIST

SEMESTER: AUTUMN 2013

This packet comprises the following material:

1. Text Book (one)
2. Courses Outline
3. Assignment No 1 & 2
4. Assignment Forms (2 sets)

In this packet, if you find anything missing out of the above-mentioned material, please contact at the address given below:

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(Department of Business Administration)

WARNING

1. **PLAGIARISM OR HIRING OF GHOST WRITER(S) FOR SOLVING THE ASSIGNMENT(S) WILL DEBAR THE STUDENT FROM AWARD OF DEGREE/CERTIFICATE, IF FOUND AT ANY STAGE.**
2. **SUBMITTING ASSIGNMENTS BORROWED OR STOLEN FROM OTHER(S) AS ONE'S OWN WILL BE PENALIZED AS DEFINED IN "AIOU PLAGIARISM POLICY".**

ASSIGNMENT No. 1

Course: International Business & Finance (8536)

Semester: Autumn 2013

Level: MBA (3 ½ Years)/ MBA (2 ½ Years)

Total Marks: 100

Pass Marks: 50

- Q. 1 Critically analyses the Mercantilist's view regarding trade. Also explain that how absolute theory of international trade is different from Mercantilists view. (20)
- Q. 2 Discuss H.O. Model with its assumptions and also explain that how countries trading under this theory gain from trade. (20)
- Q. 3 Discuss in detail the significance of Leontif Paradox in advancing the modern theories for international trade. (20)
- Q. 4 Different between tariff and non tariff barriers. Also analyze their economic effects. In your view which one is more effective in order to regulate international trade? (20)
- Q. 5 Discuss the application of Product Life Cycle Hypothesis in explaining the modern trends of international trade. Give examples from Pakistan's experience. (20)

ASSIGNMENT No. 2

Total Marks: 100

Pass Marks: 50

This assignment is a research activity. You are required to visit any business/ commercial organization and prepare a research report of about 15 to 20 pages on one of the topics given below. To avoid the duplication, a student is required to select the topic according to the last digit of his/ her role number. For example if your roll number is I-342718 then you will select topic # 8 from the given below list (last digit).

As there are five topics, you will select the topic according to the last digit of your roll number mentioned as under:

Topic	Last digit of the role number
1	1,2
2	4,5
3	7,9
4	8
5	3,6
6	0

Topics:

- 1 Impact of tariffs on Pakistani Textile sector
- 2 WTO and Pakistan: Implications
- 3 Problems faced by MNEs in Pakistan
- 4 Role of Foreign Exchange Markets in International Trade
- 5 Application of any International Trade theory on Pakistan Trade

GUIDELINES FOR THE PREPARATION OF ASSIGNMENT # 2

The report should follow the following format:

1. Title page
2. Acknowledgements
3. An abstract (one page summary of the paper)
4. Table of contents
5. Introduction to the issue (brief history & significance of issue assigned)
6. Data collection methods
7. Practical Study related to the Issue
8. Conclusion (one page brief covering important aspects of your report)
9. Recommendations (specific recommendations relevant to issue assigned)
10. References (as per APA format)
11. Annexes (if any)

Other Guidelines:

- 1.5 line spacing
- Use headers and subheads throughout all sections
- Organization of ideas
- Writing skills (spelling, grammar, punctuation)
- Professionalism (readability and general appearance)
- Do more than repeat the text
- Express a point of view and defend it.

You should use transparencies and any other material for effective presentation. The transparencies are not the presentation, but only a tool; the presentation is the combination of the transparencies and your speech. Workshop presentation transparencies should only be in typed format.

You are required to prepare two copies of 2nd assignment. Submit one copy to your tutor/ teacher for evaluation and the second copy for presentations in the workshop in the presence of the resource person and classmates, which will be held at the end of the semester prior to the final examination.

GUIDELINES FOR WORKSHOP PRESENTATION:

- Make eye contact and react to the audience. Don't read from the transparencies or from report, and don't look too much at the transparencies (occasional glances are acceptable to help in recalling the topic to cover).
- A 15-minute presentation can be practiced several times in advance, so prepare on that until you are confident enough. Some people also use a mirror when rehearsing as a substitute for an audience.

INTERNATIONAL BUSINESS AND FINANCE COURSE OUTLINE (8536)

Level: MBA (3 ½ Years)/ MBA (2 ½ Years)

Credit Hours: 03

Unit-1 Introduction and Trade Theories

- 1.1 Subject Matter of International Economics
- 1.2 Significance of International Business (IB)
- 1.3 Justification of IB
- 1.4 Classical Theories of IB
- 1.5 Dynamic Theories of IB

Unit-2 Trade Restriction: Tariffs

- 2.1 Political Economy of Protection
- 2.2 Tariffs: Types and Their Objectives
- 2.3 Economic Effects of Tariffs for IB
- 2.4 Partial Equilibrium Analysis

Unit-3 Trade Restrictions: Non Tariff Barriers

- 3.1 Types of Non-tariff Barriers
- 3.2 Economic Impact of Import Quotas and Tariff Ceilings
- 3.3 Other Non Tariff Barriers
- 3.4 Voluntary Export Restraints, Technical, Administrative, and Others
- 3.5 Regulations, International Cartels, Dumping, Export Subsidies, etc.
- 3.6 Comparison of Tariff and Non tariff Barriers in the International Context
- 3.7 Economic Implications of Non Tariff Barriers for IB

Unit-4 Economic Integration

- 4.1 Theory of Economic Integration
- 4.2 Economic Effects of Economic Integration: Static and Dynamic
- 4.3 Attempts of Economic Integration in IB
- 4.4 Economic and Monetary Integration: The European Experience

Unit-5 Multinational Corporation and Foreign Direct Investment

- 5.1 Motives for International Capital Flows
- 5.2 Portfolio Investments and Foreign Direct Investment
- 5.3 Multinational Corporations: Reasons for Their Existence
- 5.4 Critical Appraisal of the Role of MNEs from the Host
- 5.5 Country, Parent Country, and Global Perspective

Unit-6 World Trade Organization

- 6.1 Failure of the GATT and the Emergence of WTO
- 6.2 Critical Appraisal of the Role WTO
- 6.3 WTO Regulations and Free Trade
- 6.4 Implication of WTO Rules and Regulation for Pakistan
- 6.5 WTO and the Regional Economics

Unit-7 Globalization

- 7.1 Historical Development of Globalization
- 7.2 Impact of Globalization for Developed and Developing Countries
- 7.3 Implications of Globalization for Pakistan's Trade, Foreign Direct Investment, Transfer of Technology, etc.
- 7.4 Liberalization of Trade Under Globalization and its Implication for LDCs and Pakistan

Unit-8 Foreign Exchange Markets and Exchange Rates

- 8.1 Role of Foreign Exchange Markets
- 8.2 Fixed vs. Flexible Exchange Rates
- 8.3 Determination of Fixed and Flexible Exchange Rates
- 8.4 Critical Appraisal of the Fixed and Flexible Exchange Rates
- 8.5 Exchange Rate Adjustment: Development, Revaluation, Appreciation, Depreciation, etc.
- 8.6 Monetary Approaches to BOP and Exchange Rates

Unit-9 International Monetary System

- 9.1 Evolution of the International Monetary System
- 9.2 European Monetary System
- 9.3 Era of Managed Floating Exchange Rates
- 9.4 Dollar Under Managed Floating Exchange Rates
- 9.5 International Monetary System: Present and Future

Recommended Books:

Salvator, D. (2009). *International Economics* (10th ed.). USA: John Wiley Sons.

Williamson J., & Milner, C. (1997). *The World Economy*. UK: Harvester Wheatsheaf.

Krugman, P., & Obstfeld (1997). *International Economics: Theory and Policy*. Singapore: AWL Inc.

Plesis, S. P. J. (1987). *International Economics*. UK: Butterworth.

Hodgson, J., & Herander, M. (1987). *International Economic Relations* (International ed.). London: Prentice Hall.

