



Course Outline – International Trade & Cash Management Services		
Chapter	Topics	Recommended Study Time (Hrs.)
Introduction to Transaction Banking	<p><b>Introduction to Trade:</b> Understanding why and how trade takes place</p> <p><b>Risks in International Trade:</b> Types of risks faced by the parties involved, such as country risk, credit risk etc.</p> <p><b>Types of Trade Documents:</b> Overview of the documents required for a trade transaction</p> <p><b>INCO Terms:</b> These determine the cost, risks and responsibilities of the buyer and seller.</p>	1.5
Types of Trade Transactions	<p><b>Advance Payment and its Process flow:</b> The process underlying such a payment, and the conditions under which such terms and conditions are decided.</p> <p><b>Open Account and its Process flow:</b> The process underlying such a payment, and the conditions under which such terms and conditions are decided.</p> <p><b>Documentary Collection and its Process flow:</b> Documentary Collection and its Process flow: The process underlying such a payment, and the roles of the different banks involved, such as Remitting Bank, Presenting Bank etc.</p> <p><b>Types of Collections:</b> Understanding terms such as Documents against Payment, Documents against Acceptance etc.</p> <p><b>Risks faced by parties:</b> Typical risks faced by the buyer and seller in a trade transaction</p>	1
Letter of Credit (LC)	<p><b>Parties in an LC Transaction:</b> How an LC works and the parties involved</p> <p><b>Issuance &amp; Settlement:</b> The detailed workflow of an LC, roles of various parties and the risks involved. Classification of different LCs and the circumstances under which such LCs are issued.</p> <p><b>UCPDC:</b> An overview of the guidelines governing international trade</p>	1.5
LC - Case Study	<p><b>Live Case:</b> A live illustration of a trade transaction with an LC, and how it works in practice.</p>	1
Trade Finance	<p><b>Trade Finance for Exporters:</b> The various financing options available to an exporter, and their evaluation in practice</p> <p><b>LC Bill Discounting (LCBD):</b> How Bill discounting works, and the risks faced by the bank</p> <p><b>Factoring:</b> How Factoring works, and the services provided under Factoring</p> <p><b>Trade Finance for Importers:</b> How buyers' credit and suppliers' credit works, and when they are typically used in practice</p>	2
Bank Guarantees	<p><b>Types of Bank Guarantees:</b> Types of guarantees, and the situations under which the different guarantees are used in practice.</p> <p><b>Invocation of a Guarantee:</b> Circumstances under which bank guarantees are invoked, and the process involved.</p>	2



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<b>Pricing of Trade Products</b>	<b>Pricing for LC related services:</b> The different fee structures for the trade services offered by banks, and how they are calculated. <b>Pricing for Bank Guarantees and Pre/Post Shipment Credit:</b> The different components of the charges for bank guarantees and export credit, and how they are calculated.	<b>1</b>
<b>Cash Management Services (CMS) - Introduction</b>	<b>Understanding liquidity:</b> The reasons for holding cash, and the challenges faced by a cash manager <b>Cash management strategy:</b> What determines the size of cash holding in a firm, and the factors impacting cash position. <b>Impact of centralized/decentralized management:</b> How cash management is structured in an organisation, and the benefits of centralization.	<b>1</b>
<b>Payment Systems – An Introduction</b>	<b>Players in the Payment System:</b> The different parties in the payment process - payer, payee etc. <b>Key Terms:</b> The concept of float, types of payments - physical and electronic	<b>1</b>
<b>Cash Management Services - Receivables Management</b>	<b>Process:</b> The detailed process of how receivables are collected. <b>Products under receivables management:</b> The types of instruments and the collection process for each in detail.	<b>1</b>
<b>Cash Management Services - Payables Management &amp; other services</b>	<b>Types of payments:</b> Details on NEFT, RTGS, NACH etc. and how they work <b>CMS – other services:</b> Other services such as escrow accounts, and Dividend payout services <b>Case study on payables management:</b> A live illustration of the payables management process in a company	<b>1.5</b>
<b>Cash Management Services - Liquidity Management</b>	<b>Fund Management:</b> Understand the importance of Liquidity forecasting, and the use of 'Pooling Systems' for Liquidity management	<b>1</b>
<b>Total Recommended Learning Hours</b>		<b>15.5</b>

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