

Risk Management in International Business

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Global Business environment has undergone significant metamorphosis since the time the waves of liberalization and globalization started sweeping the economics the world over in the early nineties. Now the world economy has virtually become a global village economy where a business house whether big or small gets effected by the development in external market. Being cost effective, whether the good are from outside or locally has become a key mantra to survive in the current market. In such an ever changing business scenario, it becomes imperative for the Exporters/ Importers to be aware of these changes and make best use of the options available so as to keep the business growing, cost effective and risk free, to the extent

possible. Bottom lines of companies exposed to international operations depend very heavily on the expertise and efficiency with which the operations involving foreign exchange is conducted.

Following are the major risks which are very common to global business:

1. Counter Party Risk
2. Country Risk
3. Bank Risk
4. Exchange Fluctuation Risk
5. Exchange Control Risk

There are various hedging products available in the market to cover these risks.

Most common risk is the counter party risk ie the risk of non-payment by the buyer. Sometimes buyer has paid but the buyer's country has repatriation problem or a political turmoil is prevailing due to which the exporter remains unpaid. Letter Of Credit issued by a well-known bank is a very common product to hedge this risk. A confirmed letter of credit should be requested if the exporter is dealing with a weak country or weak bank. It also helps in hedging the risks arising due to change in exchange control regulations in the buyers' country. Avalisation is another product which can be used by the exporter in the cases where buyer is not willing to open a LC. In Avalisation, BOE is co accepted by the buyer and the buyers bank.

Exchange Fluctuation Risk(EFR) is a very common risk in global business particularly at a time when the currency market is volatile. This risk should be hedged preferably at the time of signing the deal itself. Most common product to cover the EFR is Forward Contract which does not attract any up front cost while booking. For high value transactions, "option" can be taken but this involves up front cost.

ORIENTATION DAY



Mr. Roman Masarik, our Chief Guest for the orientation day

The orientation programme for PGDM- International Business, batch 2018-2020, was held on July 3, 2018. Mr. Roman Masarik, Deputy Head at Embassy of Czech Republic, New Delhi, was invited as the Chief Guest for the programme.

Mr. Masarik discussed about Czech Republic and briefed everyone about various business opportunities one could exploit there.

The event was a great success and proved to be a great learning experience for the students.

EVENTS OF TRIMESTER-I

SESSION ON 'SKILLS vs. KNOWLEDGE'

A workshop on 'Skills vs. Knowledge' was conducted by Mr. Gaurav Vashisht, Founder (Green Décor Pvt. Ltd & CMO- Cheetah Logistics Pvt.Ltd.) on July 7, 2018.

He explained to students the difference between hard work and smart work and how smart work will help one in achieving his goals.

The session was very interactive and ended with a round of activities.



Mr. Gaurav Vashisht during the session

WORKSHOP ON TRANSFORMATIONAL LEADERSHIP



A workshop on “Transformational Leadership “was conducted by Lt. General K.J. Singh(Retd) on 9th July,2018 .He briefed student about how a leader works with teams and identify needed change, creating, a vision to guide the change through inspiration and executing the change in tandem with committed members of a group.He also briefed about the government schemes for new startup and businesses.

Lt. Gen K.J. Singh(Retd) PVSM, AVSM & bar conducting a session on “Transformational Leadership”

IB CONNECT



First and second year students having a gala time together

PGDM-International Business second year students organized 'IB CONNECT' on July 21, 2018 for the first year students with the aim of bridging the gap between the two. The students participated actively by performing mimicry, dance, stand-ups, plays etc. and had a great time together.

FUN QUIZ



Team of two storming their brains during the event

The department of IB organized a 'Fun Quiz' event on August 25, 2018 with five rounds, each consisting of a number of general knowledge questions. The participants as well as the audience showed great enthusiasm and the event proved to be a successful one. Our Programme Head, Dr. Bhupender Som, appreciated the winning teams.

INDUSTRIAL VISIT TO COCA-COLA



Students on a tour around the Coca-Cola themed museum during the visit

An Industrial visit was organized for the students of PGDM-IB students to the Coca-Cola plant, Moon Beverages Limited on 31st July 2018.

Students were shown entire operational process of Coca-Cola product range, taken on a tour of fun filled Coca-Cola themed museum along with the product lines and told about various CSR activities undertaken by the beverage company.

The growth of Coca-Cola and its product range since 1885 were also highlighted during the visit.

INTERNATIONAL INDUSTRIAL VISIT TO DUBAI



Students visit American University during their International trip to Dubai

Our college organized an International Industrial visit to Dubai from September 4, 2018 to September 8, 2018. The itinerary included visit to American University in Dubai, Nakheel, corporate visit to Royal Arabians, Burj Khalifa, Safari, Abudabi, Dubai mall and much more. Students attended a lecture on micro-economics at the university and got a glimpse of Destination Management at the corporate office of Royal Arabians. The trip was a perfect blend of academics and fun.

**IB CONNECT
A MEET BETWEEN PGDM-IB JUNIORS & SENIORS**



**FRESHER PARTY ORGANIZED BY
PGDM-IB TO WELCOME NEW JUNIORS**



**INDEPENDENCE DAY CELEBRATION
ORGANIZED BY PGDM-IB**



PATRON

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ABOUT JIMS

Jagan Institute of Management Studies (JIMS, Rohini) was started in the year 1993 under the aegis of Jagan Nath Gupta Memorial Educational Society and is currently among the top management institutes of Delhi-NCR. We impart professional education both at post graduate and undergraduate levels in the fields of management and information technology. Our PGDM program is approved by the AICTE and is accredited from NBA for excellence in quality education. It has also been granted equivalence to MBA degree by the AIU. We offer two sector specific two-year, full time programmes namely PGDM (International Business) and PGDM (Retail Management). Both these programmes are approved by AICTE. JIMS, Rohini, also offers technical programs viz BBA, BCA & MCA affiliated to GGSIPU. JIMS offers excellent academic infrastructure and has a distinction of being preferred by the top recruiters for their campus placements, consistently. Our alumni have excelled in their professions, both as entrepreneurs as well as corporate leaders in different industries.

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