

Version 2

Financing International Trade

HIGHER NATIONAL DIPLOMA

国际贸易融资

第二版

【英】苏格兰学历管理委员会 (SQA)

英文原版

Unit Student Guide

BUSINESS

DE5T 35



 中国时代经济出版社

SCOTTISH
QUALIFICATIONS
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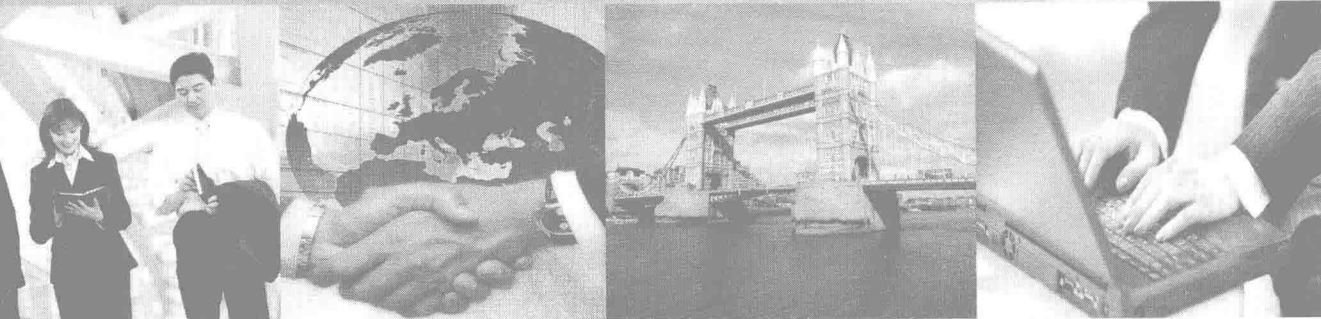
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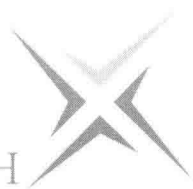
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1

Introduction to the Scottish Qualifications Authority

This Unit **DE5T 35: Financing International Trade** has been devised and developed by the Scottish Qualifications Authority (SQA). Here is an explanation of the SQA and its work:

The SQA is the national body in Scotland responsible for the development, accreditation, assessment, and certification of qualifications other than degrees.

Its website can be found at: www.sqa.org.uk

The SQA's functions are to:

- Devise, develop and validate qualifications, and keep them under review
- Accredit qualifications
- Approve education and training establishments as being suitable for entering people for these qualifications
- Arrange for, assist in, and carry out, the assessment of people taking SQA qualifications
- Quality assure education and training establishments which offer SQA qualifications

- Issue certificates to candidates.

In order to pass SQA Units, students must complete prescribed assessments. These assessments must meet certain standards.

The Unit Specification outlines the four Outcomes that students must complete in order to achieve this Unit. The Specification also details the Knowledge and/or Skills required to achieve the Outcomes. The Evidence Requirements prescribe the type, standard and amount of evidence required for each Outcome.

2

Introduction to the Unit

2.1 What is the Purpose of this Unit?

This Unit is designed to provide you with an understanding of the finance of international trade and the foreign exchange and support services provided for exporters, importers and merchants by the UK's financial institutions. It may help you prepare for a career within the international divisions of high street banks and within the merchant-banking sector. It may also provide a good foundation for those of you who will later undertake professional examinations. It may be of interest to those of you who have, or who wish to have, an import or export background, or who simply have an interest in the topic.

2.2 What are the Outcomes of this Unit?

There are four Outcomes:

- 1 Apply techniques that guard against the possibility of exchange risk in export or import transactions.
- 2 Explain the main method of payment used by exporters and importers.
- 3 Explain the main banking and related services available to assist exporters and importers.

- 4 Explain the main non-financial services available from banks to assist exporters and importers.

In order to achieve this Unit you will be required to:

- Attend classes, workshops, tutorials etc. where appropriate
- Prepare for each lesson
- Take relevant notes where appropriate
- Read the prepared materials provided in this Unit Student Guide
- Read the recommended textbooks, journals and periodicals where appropriate
- Review materials for preparation of assessment
- Complete a given assessment within the given timescale, and to the agreed standard
- Work independently or as part of a team, where required

Completion of this Unit is intended to be flexible.

It is anticipated that you will be able to complete this Unit in approximately 80 hours.

This is inclusive of teaching time and self-study time. However, it is understood that, due to individual circumstances, some of you may need less and others may need more time to complete the Unit.

2.5 Equipment/ Materials Required for this Unit

There are no specific requirements although it is strongly recommended that you have access to the internet to complete some of the activities. You will need to complete this Unit Student Guide to meet all the requirements of this Unit.

2.6 Symbols Used in this Unit

The various Learning Materials sections are designed so that you can work at your own pace, with tutor support. As you work through the Learning Materials (see Section 5), you will encounter symbols. These symbols indicate that you are expected to complete a task. **These tasks are not Outcome Assessments.** They are exercises designed to consolidate learning or encourage thought, in preparation for the Outcome Assessment (see Section 3 — Assessment Information for this Unit).



1

Activity

This symbol indicates an Activity. Usually, Activities are used to improve or consolidate your understanding of the subject in general or a particular feature of it.

In this Unit, you are asked to undertake a number of Activities. Many of these are designed to test your understanding of what has gone before, others to pre-test your understanding of what is about to follow.

Occasionally you will be asked to use alternative source material, for example the Internet, to find out relevant information for yourself.



Self-assessed question

This symbol indicates a Self-Assessed Question. Using a Self-Assessed Question helps you check your understanding of the content that you have already covered. The Self-Assessed Questions in this guide will often take the form of questions that require brief answers. They are designed to test your understanding of the material and to encourage you to investigate further into the subject.

Everything is provided for you to check your own responses. Answers to the Self-Assessed Questions are to be found at the back of the Unit Student Guide. Where suggested responses to Self-Assessed Questions are provided in the Unit Student Guide, **students are strongly discouraged from looking at these responses before they attempt the Self-Assessed Question.** The Self-Assessed Questions throughout the Unit Student Guide will help you to prepare yourself for the formal assessments, and to identify topic areas in which you might require clarification and additional tutor support. The Self-Assessed Questions will not serve this purpose if you look at the answers before trying them!

Self-Assessed Questions and Activities are designed to be checked by you. No tutor input is necessary at this stage unless special help is requested, although from time to time your tutor may set them as a classroom activity and/or may wish to view your responses to Self-Assessed Questions to see how you are progressing.

3

Assessment Information for this Unit

3.1 What do I Have to do to Achieve this Unit?

There are **four** Outcomes in this Unit, and there is usually **one** formative Assessment that relates to these **four** Outcomes. In order to achieve this Unit, you will be asked to present evidence in your assessment to show that you have met all the minimum knowledge and skills to meet the Outcomes for the Unit, as identified in the Unit Specification for **Financing International Trade**.

For this Unit you are required to complete a summative assessment based on the contents of a given case study. The case study will be provided to you 7 to 10 days prior to the assessment date. On the day of the assessment you will be required to answer a number of unseen questions.

4

Suggested Lesson Plan

The Learning Materials (see Section 5) are designed to lead you through a series of activities that will allow you to consolidate your learning and check on your own progress. Tutors may wish to view your work to monitor your progress through this Unit Student Guide, or for other purposes.

The following suggested lesson plan is for the whole Unit. It is based on a notional 80 hours of study comprising contact between tutors and students, and student-centred study.

Lesson Number	Topic(s)
1	Introduction to the Unit; explanation of the Unit specification; use of the Unit Student Guide; explanation of the Unit assessment. Introduction to topic — Introduction to International Trade <ul style="list-style-type: none"> • The scale of international trade transactions globally • The parties involved in international trade transactions
2	Exchange Rates <ul style="list-style-type: none"> • Definition of exchange rates • Calculations using the nominal rate of exchange • The supply and demand for currency • What determines the exchange rate • How to forecast exchange rates

Continued

Lesson Number	Topic(s)
3	<p>Exchange Rate systems</p> <ul style="list-style-type: none"> • Different exchange rate systems • Fixed versus floating exchange rates • Clean Floating versus Managed Floating • The Exchange Rate Mechanism
4	<p>The Foreign Exchange Market</p> <ul style="list-style-type: none"> • Participants in the foreign exchange market • Market types — spot market and forward market • Exchange rate margins • Exchange rate risk
5	<p>The Foreign Exchange Market</p> <ul style="list-style-type: none"> • Calculating the forward rate premium/discount • The relationship between exchange rates, interest rates and inflation • Forward Exchange Contracts <p>A significant portion of time to be allocated to practising the calculations associated with the various contracts.</p>
6	<p>The Foreign Exchange Market</p> <ul style="list-style-type: none"> • Forward Option Contracts • Calculation of a forward contract • Closing out/extending forward contracts <p>A significant portion of time to be allocated to practising the calculations associated with the various contracts.</p>

Continued

Lesson Number	Topic(s)
7	<p>The Foreign Exchange Market — Options and Futures</p> <ul style="list-style-type: none"> • Characteristics of foreign currency options • Key options contract terminology • Determining whether to exercise or lapse an option • Characteristics of foreign currency futures • Discuss the differences between forwards, options and futures • Futures traders objectives — hedging and speculating
8	<p>Financing International Trade</p> <ul style="list-style-type: none"> • The role of Correspondent Banks • The operation of nostro and vostro accounts • The book-keeping exercise when a transaction is entered • Mechanisms available to transfer funds overseas
9	<p>Trade Process</p> <ul style="list-style-type: none"> • Participants in the trade process • Introduction to terms of trade • Incoterms, how they are applied and the areas which they cover • The key documentation required for an international transaction
10	<p>Settling International accounts</p> <ul style="list-style-type: none"> • Prepayment and open account • Bills of Exchange • Sight and time drafts • Discounting of Bills of Exchange

Continued

Lesson Number	Topic(s)
11	Export (Documentary) Collections <ul style="list-style-type: none">• Export (Documentary) Collections — definitions and terminology• The role and risk for both the exporter and the importer• Export (Documentary) Collections — the process• The Uniform Rules for Collection
12	Documentary Credits <ul style="list-style-type: none">• Documentary Credits — definitions and terminology• Types of Documentary Credit• The risks in the Documentary Credit process
13	Documentary Credits <ul style="list-style-type: none">• Documentary Credits — the process• Discrepancies in documents presented• The Uniform Customs and Practice for Documentary Credits• The Bolero system, its objectives and basic operation
14	Short Term finance for International Trade <ul style="list-style-type: none">• Pre-shipment finance• Post-shipment finance• Negotiation of Documentary Collections• Bill advances• Export factoring• Invoice discounting