

## I Syllabus

<b>1. General information of the course</b>	
Full course name	Incoterms
Full official name of a higher education institution	Sumy State University
Full name of a structural unit	Education and Research Institute for Business Technologies "UAB" Department of International Economic Relations
Author	Yarova Inessa Yevhenivna, PhD in Economics, Associate Professor, Senior Lecturer of the Department of International Economic Relations
Cycle/higher education level	The first level of higher education, NQF - level 7, QF-LLL - level 6, FQ-EHEA – the first cycle
Semester	3-8 semesters
Credit value	The discipline is 5 ECTS credits, 150 hours, of which 48 hours are contact work with the lecturer (24 hours of lectures, 24 hours of practical classes), 102 hours are independent work.
Language(s)	English/Ukrainian
<b>2. Place in the study programme</b>	
Relation to curriculum	Selective course for «International Business» Degree Program, Specialty 292 «International Economic Relations».
Prerequisites	No prerequisites
Additional requirements	No additional requirements
Restrictions	No restrictions
<b>3. Aims of the course</b>	
<p>The purpose of the course is to form students' theoretical and applied knowledge of the contemporary role of <i>Incoterms rules</i> using terms for domestic and international trade to form an entrepreneurial culture by facilitating the development of national entrepreneurship, international cooperation and dissemination of standards, norms and modern business ethics.</p>	

## 4. Content

### **Topic 1. International Trade Operations and Risks associated with them: a Strategy of Negotiations with Foreign Partners.**

Commercial sales and law. Export and import risks: ways to address them. Cultural and linguistic differences. Basic methods of negotiations with foreign partners. The value of non-verbal negotiation techniques. Basic methods of negotiations and their organizational forms.

### **Topic 2. International Trade Organizations and Chambers of Commerce.**

Chambers of Commerce. International Chamber of Commerce (ICC) rules on the use of terms for domestic and international trade. International organizations and their participation in international trade. Multilateral Framework for the World Trade: The World Trade Organization (WTO).

### **Topic 3. The Process of Preparation and Conclusion of Foreign Trade Agreements**

The essence of international trade agreements. Classification of foreign trade operations and agreements. Types of contracts in international activities. The essence of the main stages of preparation of international business agreement. Unification of rules for the conclusion of international trade agreements on the sale of goods. The role of international trade customs in the process of entering into an agreement.

### **Topic 4. Standard Trade Terms: INCOTERMS.**

History of origin and development of Incoterms rules. Characteristics and essence of Incoterms. Application of Incoterms in contracts. Differences between the terms of groups C and D. Incoterms for domestic transportation.

**Topic 5. International Trade Terms INCOTERMS 2020: rules for any type of transport.** EXW (“Ex Works”). FCA (“Free Carrier”). CPT (“Carriage Paid To”). CIP (“Carriage & Insurance Paid To”): essence, meaningful interpretation and functional purpose. DAP (“Delivered at Place”), DPU (“Delivered at Place Unloaded”): essence, meaningful interpretation and functional purpose. DDP (“Delivered Duty Paid”).

**Topic 6. International Trade Terms INCOTERMS 2020: Rules for Maritime and Inland Water Transport.** FAS (“Free Alongside Ship”): essence, meaningful interpretation and function. FOB (“Free On Board”): meaningful interpretation and functioning. CFR (“Cost & Freight”). CIF (Cost, Insurance & Freight): content & function.

### **Topic 7. Organizational Mechanism of Execution of International Trade Contracts.**

The essence and structure of the international contract of sale. Financial terms of international sales contracts. Preparation of the goods for shipment. Foreign trade documentation for the execution of a commercial agreement. Standard documents and systems. Documentary sales. Management of export-import risks. The mechanism of factoring agreement.

### **Topic 8. International Legal Regulation of Transportations.**

Required documentation for international road transport. The essence and peculiarities of air transportation. Documents are required for air transportation. International regulation of air transportation. International sea freight.

## 5. Intended Learning Outcomes of the Course

After successful study of the course, the student will be able to:

LO1.	Know the history and development of Incoterms rules as a set of international rules for interpreting the most commonly used trading terms that reflect the most common
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	commercial terms in international trade.
LO2.	Understand the nature, basic classification characteristics and principles of current terms, as well as be able to decipher the concepts used in Incoterms.
LO3.	Analyze the Incoterms rule review mechanism and its legal basis
LO4.	Master the peculiarities of practical application of Incoterms rules in international agreements.
LO5.	Understand the universality of the nature of Incoterms rules for both international and domestic transportation.

## 6.Role of the course in the achievement of programme learning outcomes

### Programme learning outcomes achieved by the course:

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## 7.Teaching and learning activities

### 7.1 Types of training

Lectures (L), Seminar (S) and Workshops (W) are the types of training in the discipline:

#### **Topic 1. International Trade Operations and risks associated with them: a strategy of negotiations with foreign partners.**

##### **L1. Strategy of negotiations with foreign partners.**

Basic methods of negotiations with foreign partners. The value of non-verbal negotiation techniques. Basic methods of negotiations and their organizational forms.

##### **S 1. International Trade Operations and risks associated with them.**

Commercial sales and law. Export and import risks: ways to address them. Cultural and linguistic differences. Specific risks associated with international trade.

#### **Topic 2. International Trade Organizations and Chambers of Commerce.**

**L2. International Chamber of Commerce (ICC) rules on the use of terms for domestic and international trade.** Chambers of Commerce. International Chamber of Commerce (ICC) rules on the use of terms for domestic and international trade.

##### **S 2. International Chamber of Commerce (ICC) Ukraine as a dynamically progressing national committee of the World Business Organization.**

ICC Ukraine Mission. The main strategic goals of the activity. Current Trends in ICC Ukraine.

**L.3. International Organizations in the World Trade.** United Nations Commission on International Trade Law (UNCITRAL). Basic principles of work, institutional support and functionality of the International Institute for the Unification of Private Law. UNCTAD / WTO, Centre for International Trade (ITC).

**S 3. International non-governmental organizations and their role in world trade.** International Air Transport Association (IATA). International Federation of Forwarding Associations (FIATA). International Maritime Committee (IMC). The World Trade Organization (WTO) as the legal regulator of international trade.

### **Topic 3. The Process of Preparation and Conclusion of Foreign Trade Agreements**

#### **L4. The process of preparation and conclusion of foreign trade agreement**

The essence of international trade agreements. Classification of foreign trade operations and agreements. Types of contracts in international activities. The essence of the main stages of preparation of international business agreement.

**S 4. Organizational mechanism of execution of international trade agreements.** Unification of rules for the conclusion of international trade agreements on the sale of goods. The role of international trade customs in the process of entering into an agreement. International Commercial Terms (INCOTERMS).

#### **Topic 4. Standard Trade Terms: INCOTERMS.**

##### **L5. Incoterms Rules as Trade Terms that reflect the Practice of “business-to-business” Relationships in Commodity Contracts**

History of origin and development of Incoterms rules. Characteristics and essence of Incoterms. Incoterms application in contracts. Differences between the terms of groups C and D. Incoterms for domestic transportation.

**S5. Main features of Incoterms rules.** Incoterms 2010 and 2020 Editorial Group. Classification of 11 Incoterms Rules. A meaningful interpretation of the rules for domestic and international trade.

##### **Topic 5. International Trade Terms INCOTERMS 2020: rules for any type of transport.**

**L6. Rules for any type of Transport in the context of Incoterms 2020.** EXW (“Ex Works”). FCA (“Free Carrier”). CPT (“Carriage Paid To”). CIP (“Carriage & Insurance Paid To”): essence, meaningful interpretation and functional purpose.

**L7. Rules for any type of Transport in the context of Incoterms 2020 for Group D.** Essence, Content and Functional Purpose: DAP (“Delivered at Place”), DPU (“Delivered at Place Unloaded”): essence, meaningful interpretation and functional purpose. DDP (“Delivered Duty Paid”).

**W 6. Identifying Ways and Methods of Risk Prevention in International Trade Agreements.** Documentary letter of credit as a way to prevent risks in international trade agreements. Solvency analysis, export credit insurance and factoring as practical mechanisms for risk prevention in international trade agreements.

##### **Topic 6. International Trade Terms INCOTERMS 2020: Rules for Maritime and Inland Water Transport.**

**L8. Rules for all Modes of Transport in the context of Incoterms 2010 for Groups F and C.** FAS (“Free Alongside Ship”): essence, meaningful interpretation and function. FOB (“Free On Board”): meaningful interpretation and functioning. CFR (“Cost & Freight”). CIF (“Cost, Insurance & Freight”): content & function. Levels of responsibility of the parties for the goods when moving them from the premises of the seller to the premises of the buyer.

**S7. Rules for any type of Transport in the context of Incoterms 2010 for Groups C.** CFR (“Cost & Freight”). CIF (“Cost, Insurance & Freight”): content & function. Levels of responsibility of the parties for the goods when moving them from the premises of the seller to the premises of the buyer. Deciphering, tools and practical application in international sales agreements.

**W 8. Determining the Cost-effectiveness of using one or another Delivery Method.** Calculation of the most cost-effective option for product sales - domestically or interna-

tionally, based on an analysis of the information provided on different terms of supply.

**Topic 7. Organizational Mechanism of Execution of International Trade Contracts.**

**L9. Financial Mechanism of organization of International Trade Operations: calculations and modern forms of crediting of International Trade Activity.** The essence and structure of the international contract of sale. Financial terms of international sales contracts. Preparation of the goods for shipment. Foreign trade documentation for the execution of a commercial agreement.

**L10. Standard Documents and Systems.** Documentary sales. Management of export-import risks. The mechanism of factoring agreement. Management of export-import risks. Export credit insurance as one of the foreign trade policy instruments.

**S9. The mechanism of factoring agreement. The essence of factoring. The positions of the parties to the factoring agreement. The mechanism of the closed factoring agreement. The mechanism of an open type factoring agreement.**

**S10. ICC Dispute Resolution.** International fraud. Fraud and international trade disputes related to documentary transactions involving bank guarantees and letters of credit.

**Topic 8. International Legal Regulation of Transportations.**

**L11. Documentation of export-import operations for international road transport.**

Documentation for international road transport is required. Cargo insurance. International regulation of road transport.

**L12. Features of transportation of goods by air transport.** The essence and peculiarities of transportation of goods by air transport. Documents are required for air transportation. Regulation of air transportation.

**S11. International sea freight.** Classification, advantages and disadvantages of maritime transport. Documents required for maritime transport. Conditions of sea transportation are defined by the international rules of Incoterms-2020.

**S12. Classification of international insurance on organizational and legal grounds.** Fronting as a mechanism of reinsurance in international trade. Areas of cargo insurance in international trade: transport; marine insurance; motor insurance; financial and credit insurance. Incoterms - CIF and CIP - insurance obligations.

**7.2 Learning activities (LA)**

**LA 1.** Student participation in the lecture-discussion (within topics 1-3 of the content of the discipline) and preparation for lectures.

**LA 2.** Preparing reports and presentations on topics 1-8 of the content of the discipline;

**LA 3.** Preparation for the testing on topics 1-8;

**LA 4.** Essay on the subject of choice within topics 1-6 of the content of the discipline;

**LA 5.** Case implementation on the results of the study (Case Study) of topics 3-8;

**LA 6.** Solution of practical calculation tasks with the use of acquired theoretical knowledge and meaningful interpretation of the obtained results within topics 4-6.

**LA 7.** Execution and presentation of individual task (control work) according to the results of studying the discipline.

**8. Teaching methods (TM)**

**Discipline involves learning through:**

**TM1.** Interactive lectures;

**TM2.**Lecture-visualization;

**TM 3.**Practical classes (brigade and individual form of work organization);

**TM 4.**Case Study;

**TM 5.**Combined Seminar classes: reports, abstracts, messages that go into an in-depth conversation or discussion;

**TM6.** Practice-oriented learning.

*Lectures* (as interactive, lectures - visualizations and lectures of a discussion nature) provide students with materials (visuals, in the form of videos, using multimedia technologies) on the basics of Incoterms using terms for domestic and international trade to form an entrepreneurial culture by facilitating the development of national entrepreneurship, international cooperation and the spread in the country of standards, norms and ethics of conducting modern business in a highly competitive environment (*learning outcomes LO1 and LO 2*). The lectures are complemented by *practical and seminar classes* that give students the ability to use basic categories, concepts, technologies and methods in the organizational and management mechanism of international trade agreements, as well as the ability to understand and understand the universal nature of the application of Incoterms rules for both international and domestic transportation (*learning outcomes LO4 and LO5*).

*Practice-oriented training* involves identifying and analyzing the effectiveness of an international logistics business of a company or country by students for their own choice, the ability to perform comprehensive analysis and monitoring of situation and further actions of the business sector in the implementation of foreign trade agreements, the conclusion of sales contracts (*learning outcomes LO3 and LO4*).

Thus, the main *teaching methods* are:

- lectures (introductory, thematic, overview, final): presentation of theoretical material; lecture-visualization using multimedia technologies;
- seminars and workshops (practice-oriented training): solving typical practical tasks; work in groups; work on individual tasks;
- organization of student's independent work: provides for independent study of lecture material; preparation for practical classes according to methodical instructions for practical classes and organization of students' independent work;
- performance of the individual (control) work: allows to learn more deeply both basic and additional material from a discipline;
- control of educational work: modular control in the form of a written assignment, which includes theoretical and practical parts; control survey (frontal or selective oral, written survey).
- testing.

*Teaching and learning methods:*

- Demonstration
- Creative method
- Structural-analytical
- Problem search method
- Educational discussion / debate
- Case method / situation analysis

*Teaching and learning technologies:*

- Imitative
- Gaming
- Role playing and business games

- Non-gaming
- Case-study
- Problem lecture (consideration of problematic issues), lecture-visualization (video demonstration), binary lecture (two lecturers - teacher and practitioner).

Basic types of *interactive teaching and learning technologies* in the discipline:

- Modular training - the use of knowledge and skills in the form of individual modules, autonomous parts of the course that integrate with other parts of the course.
- Contextual learning - motivation of students to acquire knowledge, identifying links between specific knowledge, skills and their application.
- Development of critical thinking - an educational activity aimed at developing among those who seek intelligent, reflective thinking the ability to come up with new ideas and see new opportunities.
- Interdisciplinary training - the use of knowledge from different subject areas, their grouping and concentration in the context of the problem being solved.

## 9. Methods and criteria for assessment

### 9.1. Assessment criteria

Definition	National scale of evaluation	Rating Scale
Excellent, with a few mistakes	5 (excellent)	$90 \leq RD \leq 100$
Above average with several mistakes	4 (good)	$82 \leq RD < 89$
In general, the correct work with a certain number of errors		$74 \leq RD < 81$
Not bad, but with a lot of shortcomings	3 (satisfactory)	$64 \leq RD < 73$
Performance meets the minimum criteria		$60 \leq RD < 63$
Possible re-taking	2 (unsatisfactory)	$35 \leq RD < 59$
The required repeated course		$RD < 34$

Students who have a rating point per semester less than 35 points, passing to the final semester control is not allowed.

### 9.2. Formative assessment

The discipline provides *the following assessment methods*:

- current knowledge checking (frontal or selective survey);
- testing, verification and evaluation of written tasks;
- presentations (completed tasks, cases);
- practical testing and self-assessment.

Namely, the methods of *formative assessment*: interviewing and oral comments of the lecturer on the main results, lecturer's guidance in the process of practical work; self-assessment of current testing; discussing and evaluating students' completed practical tasks.

### 9.3. Summative assessment

Learning outcomes	Assessment methods	Assessment object
<p>Knowledge about the history and developments of Incoterms rules as a set of international rules for interpreting the most commonly used trading terms that reflect the most common commercial terms in international trade.</p>	<p>Checking questioning Listening and evaluation of presentations.</p> <p>Ongoing testing</p>	<p>Knowledge of the history of Incoterms rules.</p> <p>Ability to disclose the character and meaning of Incoterms</p>
<p>Understanding the nature, basic classification characteristics and principles of current terms, as well as be able to decipher the concepts used in Incoterms.</p>	<p>Checking questioning</p> <p>Testing and evaluation of written assignments, essays.</p> <p>Listening and evaluation of presentations.</p> <p>Current testing</p>	<p>Knowledge of the peculiarities of Incoterms application in contracts, as well as the differences between the terms of groups C and D.</p> <p>Knowledge of the organizational mechanism of application of Incoterms for domestic transportation.</p> <p>Deciphering and analyzing the rules for any type of transport in the context of Incoterms 2020, as well as the responsibilities and obligations of both parties to foreign trade agreements.</p> <p>Knowledge of the rules for any type of transport in the context of Incoterms 2020 for Group D: essence, content and function.</p>
<p>Analysis of the Incoterms rules review mechanism and its legal basis</p>	<p>Practical checking</p> <p>Case checking</p> <p>Testing and evaluation of written assignments, essays.</p>	<p>Awareness of the role in the legal regulation of the International Chamber of Commerce (ICC) rules on the use of terms for domestic and international trade and in the resolution of ICC disputes.</p> <p>Ability to analyze and practically apply standard documents and systems, documentary sales in the process of export-import risk management.</p> <p>Identifying the documentation of export-import operations for international transportation in the context of the application of Incoterms rules.</p>



<p>Mastering the peculiarities of practical application of Incoterms rules in international agreements.</p>	<p>Review and evaluation of written practical tasks</p> <p>Practice-oriented checking</p>	<p>Practical ability to identify, calculate and analyze the most cost-effective option to sell products - domestically or internationally, based on the analysis of information provided on different terms of supply</p> <p>Solvency analysis, export credit insurance and factoring as practical mechanisms for risk prevention in international trade agreements.</p>
<p>Understanding the universality of the nature of Incoterms rules for both international and domestic transportation.</p>	<p>Case checking</p> <p>Review and evaluation of written practical tasks</p> <p>Testing</p> <p>Checking questioning</p> <p>Reports-presentations assessment</p> <p>Case checking (Case Study)</p>	<p>Ability to evaluate and analyze the 11 Incoterms 2020 rules and their meaningful interpretation for domestic and international trade.</p> <p>Practical ability to identify and analyze the necessary documentation for international and domestic road transport.</p> <p>Understanding the mechanism of insurance of cargo transportation and international regulation of road transportation.</p> <p>Understanding the nature and features of transportation of goods by air transport and the mechanism of regulation of air transportation.</p> <p>Knowledge about the conditions of sea transportation are defined by the international rules of Incoterms-2020.</p> <p>Analyzing the international experience of applying the terms of delivery INCOTERMS.</p>

<b>Control Measures</b>	<b>Points</b>
<b>Summative assessment</b>	
Participation in group sessions with questioning, ongoing testing, review and evaluation of written assignments; reports-presentations (completed tasks, cases); practical examination and self-assessment of students	50 points
Written Modular Control	1 x 20 points = 20 points
Individual research assignment (execution, presentation)	1 x 30 points = 30 points
Total results of summative assessment during training sessions	100
Credit	
Totally	<b>100</b>

## 10. Learning resources

<b>10.1 Material and technical support</b>	1. Multimedia, video, projection equipment (projectors, screens, smart boards) 2. Computers, computer systems, and the Internet.
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## 10.2 Information and methodical support

### *BASIC EDUCATIONAL LITERATURE*

№ п/п	Titles	Type	Availability
			The approxi- mated
<i>1. Educational literature (textbooks, tutorials)</i>			
1.	Incoterms® 2010. ICC rules for the use of domestic and international trade terms / [translation from English by Association of exporters and importers «ZED» Ltd.]. – Kyiv: Association «ZED», 2011. – 265 p.	<i>Textbook</i>	-
2.	Incoterms® 2020. ICC rules for the use of domestic and international trade terms / [translation from English by Association of exporters and importers «ZED» Ltd.]. – Kyiv: Association «ZED», 2020. – 265 p. <a href="http://www.incoterms2020.com.ua">http://www.incoterms2020.com.ua</a>	<i>Electronic resource</i>	-
3.	Guillermo K. Jimenez ICC Guide to Export-Import Operations. Global standards for international trade. Fourth Edition, 2013. - 303 p.	<i>Textbook</i>	3
4.	Gerasimchuk VG International Economics: Educ. tool. / V. G. Gerasimchuk, S. V. Voitko. - K.: Knowledge, 2009. - 302 p.	<i>Textbook</i>	4
<i>2. Educational materials for practical classes</i>			
5.	International Trade: Lecture Notes [Electronic resource]: Tutorial. tool. for students. specialty 051 "Economics", specialization "International Economics" / KPI them. Igor Sikorsky; Summary: T. Moiseyko - Electronic Text Data (1 file: 4.52 MB). - Kiev: KPI them. Igor Sikorsky, 2018. - 287 p. <a href="http://www.library.ntukpi.ua/system/files/Mizhnar_Econ.doc">http://www.library.ntukpi.ua/system/files/Mizhnar_Econ.doc</a> .	<i>Electronic resource</i>	

### *ADDITIONAL RECOMMENDED REFERENCES and INTERNET-SOURCES*

1	Антонович М. Міжнародне право : навч. посібн. / М. Антонович. – К.: Юрінком Інтер, 2011. – 384 с.
2	Бахчеванова Н. В. Міжнародні економічні відносини : навч. посіб. / Н. В. Бахчеванова, С. М. Макуха. – Х.: ХНУ ім. В. Н. Каразіна, 2010. – 403 с.
3	Рамберг Я. Міжнародні комерційні трансакції : пер. з англ. / Я. Рамберг. – К. : ЗЕД, 2012. – 624 с.
4	The Worldwide Governance Indicators (WGI) project [Electronic Resource] The World Bank Group, 2014. – Mode of access : <a href="http://info.worldbank.org/governance/wgi/index.aspx">http://info.worldbank.org/governance/wgi/index.aspx</a>
5	International Chamber of Commerce [Electronic Resource] – Mode of access : <a href="http://www.iccwbo.org/">http://www.iccwbo.org/</a>
6	International Organization for Standardization [Electronic Resource] – Mode of access : <a href="http://www.iso.org">http://www.iso.org</a>
7	Комиссия Организации Объединенных Наций по праву международной торговли (ЮНСИТРАЛ) [Электронный ресурс]. – Режим доступа : <a href="http://www.uncitral.org">http://www.uncitral.org</a>
8	The World Trade Organization (WTO) [Electronic Resource] – Mode of access : <a href="https://www.wto.org">https://www.wto.org</a>
9	International Air Transport Association (IATA) [Electronic Resource] – Mode of access : <a href="https://www.iata.org">https://www.iata.org</a>
10	International Federation of Freight Forwarders Associations (FIATA) [Electronic Resource] – Mode of access : <a href="https://fiata.com">https://fiata.com</a>
11	Международный морской комитет (ММК) [Electronic Resource] – Mode of access : <a href="http://comitemaritime.org/">http://comitemaritime.org/</a>
12	International Road Transport Union (IRU) [Electronic Resource] – Mode of access : <a href="https://www.iru.org">https://www.iru.org</a>

## II COURSE DESCRIPTOR

№	Topic	Total hours/credits	Lectures, hours	Workshops (seminars) , hours	Labs, hours	Independent work of students, hours	Self-study of the material
<b>_____ form of study</b> <b>(indicate - full-time or part-time study (distance))</b>							
		<i>150/5,0</i>	24	24			<i>102</i>
<b>Total, hours</b>							
<b>(indicate - full-time or part-time study (distance))</b>							
<b>Total, hours</b>							