

JUN-2010

INDIAN INSTITUTE OF MATERIALS MANAGEMENT
Post Graduate Diploma in Materials Management
Graduate Diploma in Materials Management

Paper No. 7
International Trade

Date: 18.6.2010
Time :10.00 AM to 1.00 PM

Max. Marks :100
Duration :3 Hrs.

- Instructions :**
- Part A** - Contains 4 main questions(with 8 sub questions). Each questions carries 1 marks. **Total : 32 Marks**
 - Part B** – Answer any 3 questions out of 5 questions. Each question carries 16 marks. **Total : 48 Marks**
 - Part C** is compulsory and it is a case study carries 20 marks **Total: 20 Marks**
-

Part A

Q : 1 Select the most appropriate answer from the options given : 8 marks

- a) International Trade is an exchange of
(1) Capital (2) Goods (3) Services (4) All of these
- b) How many EPC's are prevailing in India?
(1) 18 (2) 19 (3) 20 (4) 21
- c) DEPB licenses are valid for
(1) 18 months (2) 12 months (3) 24 months (4) 36 months
- d) EURO currency was introduced in the year
(1) 2000 (2) 2001 (3) 2002 (4) 2003
- e) RCMC is mandatory in case of
(1) Import (2) Export (3) Both import & export (4) None of above
- f) L/C is a document issued by
(1) Bank (2) Importer (3) Exporter (4) Freight Forwarder
- g) Which incoterm is applicable in country of export?
(1) DDP (2) CIF (3) C&F (4) FOB
- h) Exporting something after importing from another country, especially after reprocessing is known as
(1) Re-import (2) Deemed Export (3) Physical Exports (4) Re-export

Q : 2 Match the following

8 Marks

- | | |
|------------------|------------------------------|
| a) AWB | 1) Export Promotional Scheme |
| b) Deutsche Mark | 2) Trade Block |
| c) TEU | 3) Currency |
| d) CoO | 4) Incoterms |

- e) CPT
- f) EDI
- g) EPCG
- h) SAARC

- 5) Air shipment
- 6) Container dimension
- 7) Chamber of Commerce
- 8) Electronic Data Interchange

: 2 :

Q : 3 – State whether the following statements are True or False. 8 marks

1. The distance between the countries is influencing the pattern of trade.
2. Specific & Ad valorem are two main categories of tax tariff.
3. Foreign Trade & Development Act was introduced in 1962.
4. India is a member country of G-7 consortium.
5. DEPB scheme is operating on both pre export and post export basis.
6. ECGC helps exporters in recovering the bad debts.
7. Uncleared goods are same as untraced goods.
8. High Sea Sale is a sale made of consignment when it has arrived at port of import.

Q : 4 Expand the following terms :

8 marks

1. FEMA -
2. ECGC -
3. IEC -
4. RCMC -
5. IMF -
6. EOU -
7. DGFT -
8. CIF -

Part : B – Solve any 3 questions. Each question carries 16 marks.

Q : 5 (a) What are incoterms ? List the incoterms.

Q : 5 (b) What are different categories of exporters?

Q : 6 Write short notes on following (any four)

- i) Importation Cycle
- ii) Letter of Credit
- iii) Forex Market
- iv) EXIM Policy
- v) Problems of International Purchasing
- vi) Global Sourcing

Q : 7 What is the role of export document ? Which are significant export documents and name some of the common defects observed in export documents?

Q : 8 (a) Explain the various stages involved in processing of an export order. –

Q : 8 (b) Discuss the customs clearance procedure for import of goods.

: 3 :

Q : 9 Distinguish between following (any four)

- i) FDI & Balance of Payment
- ii) Export Cycle & Import Cycle
- iii) GATT & WTO
- iv) FOB & CIF
- v) Domestic Marketing & Export Marketing
- vi) Bill of Entry & Shipping Bill

Part C - Compulsory

Q : 10 M/s Vinmar Group is working out for import of spare compressor for a Power Plant at the rate of USD 3400 per unit on FOB Richards Bay, South Africa basis.

Calculate the following values:

- (a) Basic Customs Duty (BCD)
- (b) Countervailing Duty (CVD)
- (c) SAD
- (d) CIF values in Rs
- (e) Total cost in Rs

Use following data for calculation purpose:

- (a) Landing Charges @ 1% of CIF
- (b) Exch. Rate : 1 USD = Rs 44.38
- (c) BCD 7.5% on Assessable Value, CVD 8.24 % on Assessable Value & BCD, SAD 4% on Assessable Value, BCD & CVD
- (d) Assessable Value = CIF value + 1% Landing charges on CIF value
- (e) Marine Insurance = 1% of C&F
- (f) Ocean Freight = 3% on FOB

You may assume any data if required.
