INDIAN INSTITUTE OF MATERIALS MANAGEMENT

DEC-2010 **Post Graduate Diploma in Materials Management**

Graduate Diploma in Materials Management

Paper No. 7

International Trade

Date: 18.12.2010 Max. Marks :100

Time :10.00 AM to 1.00 PM Duration :3 Hrs.

Instructions : 1. **Part A** - Contains 4 main questions(with 8 sub questions). Each questions carries 1 marks. **Total : 32 Marks**

2.**Part B** – Answer any 3 questions out of 5 questions. Each question carries 16 marks. **Total : 48 Marks**

3. **Part C** is compulsory and it is a case study carries 20 marks

Total: 20 Marks

<u>Part A</u>

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

a) Which of the following is not a type of quota?

(1) Tariff quota (2) Unilateral quota (3) Ad Valorem quota (4) Mixing quota

b) Which of the following document is not attached with B/E?

(1) Invoice (2) B/L (3) Insurance (4) Tender Enquiry

c) Which of the following is not a member of World Bank?

(1) IBRD (2) ICC (3) IDA (4) IFC

d) Which of the following is a member of G-7?

(1) Canada (2) India (3) China (4) South Africa

e) Who covers payment risk in insurance in foreign trade?

(1) RBI (2) Banks (3) ECGC (4) LIC

f) Which is not an export promotional scheme?

(1) EPZ (2) EHTP (3) EOU (4)EPC

g) Which of the following is issued by DGFT?

(1) IEC (2) RCMC (3) CCP (4) ECGC

h) Customs Clearance Act was introduced in the year

(1) 1947 (2) 1962 (3) 1988 (4) 1992

Q : 2 Match the following 8 Marks

a) ECGC	1) Valid for 5 years
b) RCMC	2) Types of customs duties
c) GBP	3) Trade Block
d) FCA	4) Export promotional scheme
e) DEPB	5) Mandatory code for imp / exp
f) BCD	6) Insurance credit
g) IEC	7) Incoterms
h) G-7	8) Currency

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

1. BoT is the difference between the monetary values of exports and imports in an economy over a certain period of time.
2. Global marketing is not an evolutionary process but it is a revolutionary shift.
3. Customs Valuation Rules was introduced in 1962.
4. The General Agreement on Trade & Tariff was signed in 1947.
5. FEMA is replaced by FERA.
6. EPCG provides export credit insurance support to Indian exporter.
7. Port formalities are not part of customs clearance procedure.
8. Demurrage payment is same as wharfage payment.

Q : 4 Expand the following terms : 8 marks

1. BTN	2. TRIPS	3. CCP	4. LERMS
5. ICD	6. DDU	7. SAARC	8. SSTH

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

Q : 5 Narrate the steps to be adopted for import of catalysts at Mumbai Seaport in drums / containers.

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

i) Facilities of exporter

ii) Evaluation of EXIM policy

iii) Categories of exporters

iv) Abstracts on Incoterms

v) Role of export documentation

Q : 7 What are the different prevailing exchange rate at global level? What are the various factors that affect exchange rate?

Q : 8 (a) Define the term International Trade. What are economic benefits of International Trade?

Q : 8 (b) Discuss the evolution of global marketing. What are the advantages and disadvantages of global marketing?

Q : 9 Distinguish between following (any four)

i) Imports & Exports

ii) Global Marketing & Domestic Marketing

iii) Capital Account Transaction & Balance of Payment

iv) FERA & FEMA

v) Bill of Entry & Shipping Bill

Part C - Compulsory

Q : 10 The Project Cell of Suzlon Limited, Waghodia has received an offer for import of Turbine Shaft for a steam turbine of power plant and now the import manager has to work out following values :

a) CIF Price in INR
b) Basic Customs Duty in INR
c) CVD in INR
d) SAD in INR
e) Landed Cost in INR

Use following data for calculation purpose:

i) Price of M/s Linde AG, Germany : Euro 395 FOB

Landing Charges = 1% of CIF Value

Assessable Value = CIF price + 1% landing charges

ii) Exch Rate: 1 Euro = Rs 62.41

iii) BCD = 7.5% on Assessable Value, CVD = 8.24% on Assessable Value + BCD, SAD = 4% on Assessable Value + BCD + CVD

iv) Marine Insurance = 1% of C&F

v) Ocean Freight = 3% of FOB

You may assume any data, if required.

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