INDIAN INSTITUTE OF MATERIALS MANAGEMENT
Diploma in Retail Management
Paper 7
Advanced Logistics & International Buying

Date: 14.12.2015
Time: 2.00PM–5.00PM
Max. Marks: 100
Duration: 3 hrs

Instructions
1. From Part A, answer all questions Qs 1, 2 and 3 (compulsory) --Q1 (12 marks), Q2 (8 marks) and Q3 (12 marks) - Total 32 marks.
2. From Part B, answer any 4 questions from Q No.4 to Q9. Each question carries 12 marks (total 48 marks)
3. Part C, Q No. 10 (Case Study) is compulsory. (20 marks)

PART A

Q1. State True or False – attempt any 12. (1 mark each = 12 marks)

(i) Packing and Packaging means same
(ii) Normally Stores building should be away from the plant
(iii) Additional Duties are charged on Assessable value plus Basic Custom Duty of the imported goods.
(iv) Importer-Exporter Code Number is issued by Reserve Bank of India
(v) The date of shipment in respect of imports by sea is the date of Commercial invoice.
(vi) Import licenses are always issued for CIF value of the goods to be imported
(vii) Under FOB contract the risk of the goods is transferred to the buyer once they have been loaded on board of ship
(viii) The Banker’s commercial L/C is also known as “Documentary Letter of Credit”
(ix) Under irrevocable L/C the condition can be modified or altered without prior approval of the Beneficiary.
(x) The L/C which covers provision of Advance Payment to the exporter is termed as “Confirmed Letter of Credit”
(xi) In general, logistics cost is about 20-30% of materials cost.
(xii) Combining 2-3 shipments together is called as containerization
(xiii) Prime goal of logistics is customer service
(xiv) Order processing cycle time have major impact on customer service level and speed
(xv) Importer Exporter Code is issued by FIEO.
(xvi) Mobile racks are capable of free movement inside the store
Q2. Match the columns are rewrite correct pairs (1 m each = 8 marks)

<table>
<thead>
<tr>
<th></th>
<th>Bill of Lading</th>
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<th>Commercial document</th>
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<tbody>
<tr>
<td>1</td>
<td>Packing List</td>
<td>B</td>
<td>Transit Insurance</td>
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<tr>
<td>2</td>
<td>FEMA</td>
<td>C</td>
<td>Mode of Payment</td>
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<tr>
<td>3</td>
<td>Marine Cargo Policy</td>
<td>D</td>
<td>Import Transport document</td>
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<tr>
<td>4</td>
<td>Letter of Credit</td>
<td>E</td>
<td>Port Trust Authority</td>
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<td>5</td>
<td>Invoice</td>
<td>F</td>
<td>Foreign currency purchase</td>
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<tr>
<td>6</td>
<td>Demurrage Charges</td>
<td>G</td>
<td>Foreign Exchange Regulations</td>
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<td>7</td>
<td>A-1 Form</td>
<td>H</td>
<td>Marks &amp; Numbers</td>
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Q3. Attempt any 12 as per instructions (1 mark each = 12marks)

**Fill in the Blanks**

(i) Petroleum products with flashpoint below 24.5 C are termed as _____ class in stores.
(ii) Principle of ______ says that very popular items are stored in most accessible place
(iii) A very important W/H function of _____ help decouple successive stages of manufacturing
(iv) Concept of ______ means storing all items together
(v) Dairy products are stored in cool stores having temperature range of _____ to _____ C.
(vi) Inventory is the product of ___________.
(vii) _______ processing is value adding role in Logistics

**Fill in the gaps by choosing appropriate alternatives**

(viii) The Custom Duty on imported consignment is recovered by ______ Authority
(ix) The Basic Custom Duty on imports is charged on ______ of the consignment
a. CIF value b. Assessable Value c. FOB Value
(x) At the time of Warehousing imported Goods, the importer has to furnish a Bond to Customs Authority for a value ______ of custom duty payable
a. Equal b. Double c. Triple
(xi) The Bank which negotiates the beneficiary’s bill under L/C and pays for it is known ______ Bank
a. Opening b. Confirming c. Negotiating
(xii) Under C&F Contract of imports, the responsibility of paying Freight is of the ________.
   a. Importer  b. Exporter  c. Neither Importer nor Exporter
(xiii) The Importer – Exporter Code Number is issued by ______ authority
    a. Reserve Bank  b. Jt. DGFT  c. Commercial Bank  d. FIEO
(xiv) The shipment in respect of imports by sea is determined from the date of ______
    a. Shipping Bill  b. Bill of Lading  c. Commercial Invoice  d. L/C
(xv) Under FOB contract of imports the responsibility of paying freight is of the ______
    a. Exporter  b. Importer  c. Both Importer and Exporter.

**PART B**

(Attempt any 4 from Q 4 to Q 9. (12 Marks each - Total 48).)

Q4. Explain in detail the procedure of retirement of import documents under L/C mode of payment

Q5.. Write briefly on any 4 (3 marks each – Total 12 marks)
   (i) Significance of “Validity Date for Shipment” in Letter of Credit
   (ii) Documents required for obtaining IEC Number
   (iii) Main parties associated with Letter of Credit
   (iv) Significance of Certificate of Origin
   (v) Selection criteria for transport providers
   (vi) Nodes and links in network models
   (vii) 3PL service

Q6. What are the needs for buying products from overseas markets? Explain with illustrations.

Q7. Discuss inter modal transportation and its economic and service characteristics.

Q8. What is demand management and what are its objectives.

Q9. Define imports and explain in detail various steps involved in "Importation Cycle"
PART C

Q10. Case Study (Compulsory)  

Xerox Corporation was receiving from more than 400 suppliers shipment in over 500 different size cartons, and in almost 20 different size pallets. They would like to standardize the same reducing it to 9 carton sizes and 2 standard pallets. How would you like them to go about and do it?

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