INDIAN INSTITUTE OF MATERIALS MANAGEMENT

Date: 15.06.2015
Time: 10.00 a.m. to 1.00 p.m.

Instructions:
1. From Part A – answer all questions (compulsory). Each sub question carries 1 mark. Total: 32 Marks
2. From Part B – Answer any 3 questions out of 5 questions. Each sub-question carries 16 marks. Total: 48 Marks
3. Part C is a case study (compulsory) with questions. Read the case study carefully and answer the questions. Total: 20 Marks
4. Please read the instructions given in the answer sheet.

Part – A

(Q : 1. Select the most appropriate answer from the options given :

8 marks)

a) The bonding period of units under SEZ scheme shall be
   (1) 1 year    (2) 2 years    (3) 3 years    (4) 5 years

b) The customs valuation rules were introduced in the year
   (1) 1962    (2) 1975    (3) 1988    (4) 1992

c) Which of the following currency is highest rated compared to INR
   (1) GBP    (2) Euro    (3) Yen    (4) USD

d) Balance of payment takes into account
   (1) Export & import    (2) Overseas Services    (3) Both (1) & (2)    (4) None of them

e) Bill of Entry is required in case of
   (1) Import    (2) Export    (3) Both import & export    (4) None of above

f) Which of the following is not an export promotional scheme?
   (1) ECGC    (2) QABAL    (3) DEPB    (4) Deemed Export

g) Which of the following is a trade block?
   (1) SEZ    (2) G7    (3) UCPDC    (4) FERA

June 2015
h) The normal time limit for settlement of import payment is

(1) 300 days  (2) 180 days  (3) 365 days  (4) 260 days

Q : 2 Match the following 8 marks

<table>
<thead>
<tr>
<th>Column A</th>
<th>Column B</th>
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<tbody>
<tr>
<td>a) Shipping Bill</td>
<td>1) Bill of entry</td>
</tr>
<tr>
<td>b) Imports</td>
<td>2) Type of customs duty</td>
</tr>
<tr>
<td>c) FOREX</td>
<td>3) Currency</td>
</tr>
<tr>
<td>d) UAE Dirham</td>
<td>4) Insurance Risk</td>
</tr>
<tr>
<td>e) DDP</td>
<td>5) HQ at Paris</td>
</tr>
<tr>
<td>f) ICC</td>
<td>6) Export Customs Document</td>
</tr>
<tr>
<td>g) ECGC</td>
<td>7) Exchange Rate Variation</td>
</tr>
<tr>
<td>h) SAD</td>
<td>8) Incoterm</td>
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</tbody>
</table>

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

1. Bill of entry is one of the main document for export of goods.
2. IEC is a beginning point for any import / export transaction
3. Customs Clearance Act was introduced in 1962.
4. SAARC involves eight countries.
5. BoP gives better picture of country’s economic situation rather then BoT.
6. The currency of Germany is Franc.
7. Mate receipt is issued by chief of vessel.
8. A claim under marine policy can not be partial loss.

Q : 4 Expand the following terms : 8 marks

1. EOU  2. UNCTD  3. IMF  4. SEZ
5. WTO  6. NAFTA  7. SAARC  8. BCD
PART-B

Write any three (3) of the following questions 16 marks each  (48 Marks)

Q : 5  What do you understand by word Letter of Credit? What is the importance of Letter of Credit in the international business? Elaborate different types of Letter of Credits prevailing in business?

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

i) Foreign Trade Development Act
ii) Importance of Incoterms
iii) Export Procedures
iv) Role of Trade Blocks in International Trade
v) Port Formalities
vi) Categories of Exporters

Q : 7  What is an import cycle? Which are different steps involved in import of any goods in India?

Q : 8  What is the need for trade policy and government intervention? How tariffs, duties and subsidies are determined? Which are major types of quota permitted?

Q : 9  Distinguish between following (any four)

i) Duty Refund & Less Charge Demand -
ii) IBRD & WTO
iii) EPC & EPCG
iv) Imports & Exports
v) Direct Imports & High Sea Imports
vi) BoP and BoT
Q 10. M/s Adani Industries Ltd is working out for import of turbine shaft for a steam turbine at the rate of USD 4600 per unit on C&F Mumbai port basis.

Calculate the following values:

(a) Basic Customs Duty (BCD)
(b) Countervailing Duty (CVD) including cess
(c) SAD
(d) CIF values in Rs
(e) Total assessable value in Rs

Use following data for calculation purpose:

(a) Landing Charges @ 1% of CIF
(b) Exch. Rate : 1 USD = Rs 60.00
(c) BCD 7.5%, CVD 8.24%, SAD 4%
(d) Assessable Value = CIF value + Landing charges
(e) Marine Insurance 1% of C&F
(f) Ocean freight 3% of FOB

You may assume any data if required.

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