INDIAN INSTITUTE OF MATERIALS MANAGEMENT

Post Graduate Diploma in Materials Management

Graduate Diploma in Materials Management

PAPER No. 7

Dec 2014

International Trade

Date: 15.12.2014 **Max. Marks: 100**

Time: 10.00 a.m. to 1.00 p.m. **Duration: 3 Hrs.**

Instructions:

1. From Part A – answer all questions (compulsory). Each sub questions 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 32 Marks

(Attempt all questions Each sub questions carries 1 mark.)

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

(a) Trade deficit means
(1) Balance of Trade (2) Balance of payment
(3) Import payment exceeds receipts against export (4) Trade surplus

(b) Permission for import of NARCOTC substance is issued by
(1) DGFT (2) DIC (3) Ministry of Finance (4) Ministry of commerce

(c) Exchange rate for duty purpose is published by
(1) RBI (2) DGFT (3) Customs (4) EPC

(d) Advance authorization is given by
(1) DIC (2) C. Excise (3) DGFT (4) Customs

(e) Safe guard duty is a type of
(1) Excise duty (2) Anti dumping duty (3) Cess (4) Service tax

(f) Advance authorization mention

(1) Quantity of goods to export (2) Description of goods to import

(3) Value of export (4) Quantity and value of import and export item

(g) An importer can clear import consignment through

(1) Clearing agent only (2) Self

(3) Custom officer (4) Sr. No. 1 & 2

(h) SEZ can sell finished product in local market, he has to pay

(1) Basic custom duty (2) Only CVD

(3) Only anti dumping (4) All import duty applicable to that products

Q. 2 Match the following **8 marks**

	Column A		Column B
1	EPCG	a.	Insurance for export
2	ECGC	b.	Ministry of information technology
3	Anti dumping duty	c.	Tax on production
4	EHTP	d.	Type of custom duty
5	Shipping Bill	e.	On line data of ports / customs
6	C. excise	f.	PROTECTION MEASURE
7	EDI	g.	Export document
8	BCD	h.	Capital goods import at lower rate of duty

Q.3 State whether following statements are true or false. **8 marks**

(1) AWB is a negotiable document.

(2) Clearing charges is not a component of landed cost of import

(3) EPC registration is a must to have any government benefit

(4) Export of SCOMET item is free

(5) One can export equivalent to import value to offset payment.

(6) DGFT is a department in Ministry of finance

(7) MATE receipt is a negotiable documents.

(8) C.EXCISE IS A DEPT OF MINISTRY OF COMMERCE

Q.4 Expand the following **8 marks**

(1) B/ E (2) BCD (3) FEMA (4) GATT (5) RCMC (6) L/C (7) DDU (8) EIA

PART-B

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

Q.5 Role of ECGC . Discuss in details.

Q. 6 Short notes of the following (any four)

(1) Anti dumping duty
(2) Various Major Routes of Export
(3) List of documents for import clearance against license
(4) Deemed exports
(5) EPCG schemes in import policy

Q.7 Types of payment in international trade explain each of them in brief. Mention prohibited payment Mode

Q. 8 Explain SEZ scheme and its main features

Q.9 Distinguish the following

(1) 100 % eou and normal unit
(2) Duty Drawback and duty exemption scheme
(3) ICD and other ports
(4) Import duty and Export duty

PART- C 20 marks

Q 10. The project cell of GMR group , Bangalore has received an offer for import of rotor assembly for a engineering unit and now the import manager has to work out following values. The import is against advance authorization.

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 Rotor assembly USD 600 FOB
ii. Landing charges = 1 % of CIF value
iii. Assessable value = CIF price + 1 % landing charges
iv. Exch rate : 1 USD = RS. 61.05
v. BCD = 7.5 % on assessable value, CVD = 12.36 % on assessable value + BCD, SAD = 4 % on Assessable value + BCD + CVD
vi. Marine insurance = 1 % of C & F
vii. Ocean freight = 3 % of FOB

You may assume any OTHER data if required

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