



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

June 2014

PAPER No. 7

International Trade

Date: 16.06.2014

Max. Marks: 100

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

Duration: 3 Hrs.

Instructions:

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| 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. | |
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Part – A

32 Marks

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

Q.1. Select appropriate answer

1. Safeguard duty is a type of
 (a) Export duty (b) CVD (c) Anti dumping duty (d) Service tax
2. Duty exemption scheme is
 (a) Export Promotion (b) Import restriction (c) Import of Weapons (d) none of above
3. L/C is issued by
 (a) Importer (b) exporter (c) Clearing agent (d) Bank
4. Basic custom duty is
 (a) CENVATABLE (b) 50 % cenvatable (c) Non Cenvatable (d) merged with service tax
5. CIF term does not include
 (a) Clearing expenses (b) Freight & Cost (c) Freight & insurance
 (d) Freight + cost + insurance
6. Airway Bill is
 (a) Negotiable document (b) Non Negotiable document (c) Freight receipt
 (d) Delivery order

7. Trade balance is not affected by
- (a) Import / export (b) Validity of Licence
(c) Import restriction (d) Export promotion scheme
8. Following is a type of trade block
- (a) G-7 (b) Advance authorization (c) Anti dumping duty (d) Cess on CVD

Q. 2 Give full forms

- (1) GSP (2) IGM (3) FIEO (4) UNCTAD
(5) ICD (6) BOP (7) FDI (8) CHA

Q. 3 Mention true or false

1. EPC is must for every export.
2. Anti dumping duty once imposed is for ever
3. Import policy is published by DGFT
4. Supplies to EOU is deemed export
5. Sale on High seas is Direct Import
6. Economic Order Quantity is a tool of Inventory control
7. Maximum Export realization period granted is 90 days
8. Deductive Value is a method of Valuation in customs

Q.4. Relate the following

Column A	Column B
1 Shipping Bill	a. PETROLIUM PRODUCTS
2 IMPORT LICENCE	b. INCOTERM
3 INTERNATIONAL TRADE	c. EPC
4 IMPORT DUTIES	d. EXPORT OF Goods imported
5 RCMC	e. INDIRECT TAXES
6 DDU	f. RESTRICTED GOODS
7 HIGHEST FOREX OUT FLOW	g. IMPORT / EXPORT
8 Re-Export	h. Export Procedure

PART-B

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

(48 Marks)

- Q.5** Discuss IMPORT SUBSTITUTION - It's pros & cons & about government incentives AS Duty Free Import.
- Q. 6** Role of IMF (International Monetary Fund) - and its contribution to Economic development of a country
- Q. 7** Discuss EPCG scheme and its importance to enhance the exports.
- Q. 8** Discuss types of exports and deemed exports
- Q. 9 Short notes (any four)**
- (1) WTO - Its role and various areas of concern
 - (2) SEZ & EOU scheme - their characteristics and differences
 - (3) ECGC & Marine policy - their characteristics and differences
 - (4) Custom clearance documents to clear goods under advance authorization
 - (5) Dumping of goods and protective measures
 - (6) Different modes of import and relevant documents.

PART- C

20 marks

Q 10. CASE STUDY

Answer all the question given at the end , after studying the facts of the Case Study:-

A business house has two units in Chennai, (A) Normal unit (B) 100 % EOU

Both units have placed orders with a Japanese CO to import raw materials.

Work out the following for both the unit separately in INR. Decimal fig may be rounded off

(use of calculator is allowed)

- (1) CIF cost
- (2) Basic duty
- (3) CVD
- (4) Landed cost
- (5) Please mention the name of additional document submitted by EOU at the time of clearance

Use following data

- (1) Price US \$ 306 C & I per KG
- (2) Quantity 500 Kgs
- (3) Freight US \$ 1500 / 500 Kg
- (4) US \$ = Rs. 60.70 , Landing chare 1 % of CIF cost
- (5) BCD 5 %
- (6) CVD 12 % on ASS. Value + BCD
- (7) Clearance charge Rs. 10000.00
