



# INDIAN INSTITUTE OF MATERIALS MANAGEMENT

INDIAN INSTITUTE OF MATERIALS MANAGEMENT  
Post Graduate Diploma in Materials Management  
Graduate Diploma in Materials Management  
PAPER No. 7 (New)

June 2015

## International Trade

Date: 15.06.2015

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

Max. Marks: 100

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.
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### **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) 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

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**

**Column A**

- a) Shipping Bill
- b) Imports
- c) FOREX
- d) UAE Dirham
- e) DDP
- f) ICC
- g) ECGC
- h) SAD

**Column B**

- 1) Bill of entry
- 2) Type of customs duty
- 3) Currency
- 4) Insurance Risk
- 5) HQ at Paris
- 6) Export Customs Document
- 7) Exchange Rate Variation
- 8) Incoterm

**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 than 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

**PART- C**

**20 marks**

**(Compulsory)**

**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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