

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

Paper – 7
International Trade

Date : 15.06.2009
Time : 10.00am To 1.00pm

Max Marks : 100
Duration : 3 hrs

- Note** : 1. Part A contains 4 main questions (with 8 sub questions) Each question carries 1 mark. **Total 32 marks**
2. Part B – Answer any 3 questions out of 5 questions. Each question carries 16 marks. **Total 48 marks.**
3. Part C is compulsory and it is a case study. **Total 20 marks**

Part A

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

- a) The normal validity of RCMC is
(1) 1 year (2) 3 years (3) 5 years (4) Indefinite
- b) Bill of Entry is a document for
(1) Customs (2) Sales Tax (3) Excise (4) Payment
- c) The normal validity of Advance License (Advance Authorization) is
(1) 12 months (2) 18 months (3) 24 months (4) 36 months
- d) Which Incoterm is applicable in country of export
(1) DDP (2) C&F (3) FOB (4) CIP
- e) Shipping Bill is required in case of
(1) Import (2) Export (3) Both import & export (4) None of above
- f) Who covers payment risk insurance in Foreign Trade?
(1) ECGC (2) DEEC (3) DEPB (4) DGFT
- g) Export of imported goods in any form or condition is known as
(1) Real Export (2) Physical Export (3) Deemed Export (4) re-export
- h) What is the normal time limit available to an exporter to realize export proceeds?
(1) 300 days (2) 180 days
(3) 365 days (4) 260 days

Q : 2 Match the following

8 Marks

- | | |
|------------------|-----------------------------|
| a) Let Export | 1) Dry Indian Port |
| b) ICD | 2) Type of customs duty |
| c) FOREX | 3) Currency |
| d) GBP | 4) SAD |
| e) DDU | 5) Code for Import / Export |
| f) IEC | 6) Export Procedure |
| g) Cenvat Credit | 7) Exchange Rate Variation |
| h) BCD | 8) Incoterm |

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

1. Deemed Exports are part of Physical Exports.
2. IEC is 9 digit classification method adopted by ICC.
3. Customs Tariff Act was introduced in 1975.
4. Aligned documentation system is applicable for customs clearance.
5. L/C is a document issued by importer.
6. The currency of Bangladesh is Rupee.
7. EPZ is different than EOU.
8. Duty exemption schemes are given to control the imports.

Q : 4 Expand the following terms : 8 marks

- | | | | |
|--------|----------|---------|---------|
| 1. CVD | 2. UCPDC | 3. ECGC | 4. EPCG |
| 5. HSN | 6. SEZ | 7. FEMA | 8. EPC |

Part : B

Solve any 3 questions. Each question carries 16 marks.

Q : 5 What do you mean by EXIM Policy ? What is the importance of EXIM Policy in the international trade of India? Elaborate different features of EXIM Policy?

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

- i) Letter of Credit
- ii) Incoterms
- iii) Euro Dollar Market
- iv) Export Promotional Council
- v) Export Finance
- vi) Import Procedure

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

Q : 8 Which are various documents for export and import transaction ? What is the importance of these documents? Out of these, which are critical documents?

Q : 9 Distinguish between following (any four)

- i) Pre Shipment & Post Shipment Credit
- ii) World Bank & EXIM Bank
- iii) Balance of Payment & Balance of Trade
- iv) Bill of Lading & AWB
- v) Export & Import

Part C - Compulsory

Q : 10 M/s Bharat Heavy Electrical Ltd (BHEL) is working out for import of spare electric transformer for a power project at the rate of Euro 3500 per unit on FOB German port basis.

Calculate the following values :

- (a) Basic Customs Duty (BCD)
- (b) Countervailing Duty (CVD) including cess
- (c) Cess on total duty
- (d) SAD
- (e) CIF values in Rs
- (f) Total cost in Rs

Use following data for calculation purpose :

- (a) Marine insurance @ 1% of C&F
- (b) Landing Charges @ 1% of CIF
- (c) Exch. Rate : 1 Euro = Rs 66.33
- (d) BCD 5%, CVD 8.24 %, SAD 4%
- (e) Assessable Value = CIF value + Landing charges
- (f) Ocean Freight 3% of FOB

You may assume any data if required.
