

PAPER 7

LEGAL ASPECTS AND IMPORT / EXPORT PROCEDURE

Date: 14 .12.2009
Time: 2.00 PM to 5.00 PM

Max Marks : 100
Duration : 3 hours

Instructions:

1. PART A contains four main questions (with eight sub questions of one mark each)
Total Marks:32
 2. PART B: Answer any three questions out of five questions (sixteen marks each)
Total Marks:48
 3. PART C: Compulsory case study
Total Marks:20
 4. Please read the questions and instructions on the answer sheet carefully.
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PART A

Q.1 Indicate whether following statements are 'TRUE' or 'FALSE'

- A. Bill of Lading is a document issued by Customs Department.
- B. WTO is an institutional framework encompassing GATT and the results of Uruguay Round agreements.
- C. Production sharing refers to the practice of carrying out different stages of manufacturing of a product in several countries. T
- D. Current account consists of short term and long term capital transactions.
- E. World Bank does not expect borrowing country to spend the loan in a specific country.
- F. The current Account includes all transactions which give rise to or use up national income.
- G. Balance of payments is a systematic record of country s economic & financial transactions with the rest of world over a period of time.
- H. Advalorem rate of duty is collected based on the assessable value of goods.

Q.2 Write the full form of the following abbreviations : (1 marks each)

- | | | | |
|----------|----------|-------|---------|
| 1. CEGAT | 2. TRIMs | 3 HSN | 4. OGL |
| 5 FOB | 6 DGFT | 7 NTB | 8. OPEC |

Q.3 Match the following: (1 marks each)

1	Resources of International monetary fund	A	Payment immediately on presentation of Bill of Exchange
2	Shipping Advice	B	Information to overseas customer about shipment of goods
3	Forward Contract	C	Premium payable at the time of entering into contract
4	Devaluation	D	Reduction in official exchange rate of the currency
5	Line of credit	E	Allowing credit again on reimbursement by importer
6	Options contract	F	Limited risk but opportunity to make profit not available
7	Revolving Credit	G	Judging creditworthiness in buyer's country
8	Sight Draft	H	Subscription from member countries and Borrowings

Q.4 Select the most appropriate alternative

1. Global Sourcing is necessary for

- a) Better quality and lower prices,
- b) Flow of advanced technology
- 3) Counter trade requirements.
- d) All of the above

2. The resources of International monetary fund come from

- a) Subscription from member countries and Borrowings
- b) Taxes collected by member countries
- c) Trading in goods and services
- d) All the above

3. International Development association

- a) Subsidiary of World Bank
- b) Provides soft loans to member countries on liberal terms.
- c) Loan repayment in the currency of member country.
- d) All the above entries

4. Import transactions in India

- a) Procurement of Goods from abroad against valid contract
- b) Subject to Customs act and other rules and regulations
- c) Outflow of foreign exchange from India
- d) All the above entries

5. Negotiations are carried out with selected few parties for
- a) Optimal price of the goods
 - b) Choice of currency and terms of payment
 - c) Shipment schedule and insurance packing & arrangements etc.
 - d) All the above
6. Assessable value of goods consists of
- a) Free on Board value of goods
 - b) Freight, Insurance and Landing charges
 - c) Free on Board value of goods, Freight, Insurance and Landing charges etc.
 - d) None of the above
7. Important characteristics of Eurocurrency market
- a) Wholesale international market under no national control
 - b) Short term money market
 - c) Highly competitive and sensitive market
 - d) all of the above
8. Importers are free to make payments to exporters by
- a) Advance payments and collections through banks
 - b) Open account trading
 - c) Documentary Bills and documentary credits
 - d) All the above

PART - B

- Q.5 Explain the importance, policies & functions of Export Credit Guarantee Corporation of India Ltd.
- Q.6 Discuss the main provisions of Indian Customs Act and the procedure for collection of Customs duty.
- Q.7 Write short note on any four of the following.
- 1. Negotiable Instruments.
 - 2. International Monetary Fund
 - 3. World Bank
 - 4. Export Import Bank Of India
 - 5. Importance of export Packaging
 - 6. Letter of Credit
 - 7. Exchange Control

Q.8 What are the roles and functions of Export Promotion Councils in India ?

Q.9 Explain the importance of Export Finance and various forms of Export Credit available to exporters in India.

Part C –Case Study (Compulsory)

Q.10 M/s. Priya and Priya Rice Mills Pvt. Ltd. Nakodar Road, Kapurthala, Punjab, India PIN : 144601 has obtained an export order for export of 60000 Tonnes of Basmati Rice . The company has hired a new Export Executive who has been assigned to execute this job.

- A. Prepare a road map for the Export Executive to execute the order.
- B. Explain the documents & declaration forms required under Foreign Exchange Regulations of India.
- C. Explain the documents required for Transportation of goods.
- D. Explain the documents required for Customs Clearance of goods
- E. What precautions are required to be taken in the process of execution of this order.