DEC-2010   **PAPER 7**
LEGAL ASPECTS AND IMPORT / EXP0RT PROCEDURE

Date: 13 .12.2010   **Max Marks : 100**
Time: 2.00 PM to 5.00 PM   **Duration : 3 hours**

Instructions:
1. From Part A : Answers all questions (compulsory). Each sub-question carries 1 mark.   **Total Marks:32**
2. From Part B : Answer any three questions out of 5 questions. Each questions carries 16 marks.
                                                      Total Marks:48
3. Part C is a case study with sub-questions (compulsory). Read the case study and answer all the questions.   **Total Marks:20**
4. Please read and follow the instructions given on the answer sheets carefully.
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Part A

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

a) AWB is issued in case of
(1) Air shipment   (2) Sea shipment   (3) Road shipment   (4) Rail shipment

b) Which of the following document is not attached with export documents?
(1) Invoice   (2) B/L   (3) Certificate of Origin   (4) Tender Enquiry

c) Which of the following is not a member of World Bank?
(1) IBRD   (2) ICC   (3) IDA   (4) IFC

d) Normally the duration of exim policy is for
(1) 3 years   (2) 5 years   (3) 7 years   (4) 9 years

e) Who covers payment risk in insurance in foreign trade?
 (1) RBI   (2) Banks   (3) ECGC   (4) LIC

f) Which is not an export promotional scheme?
(1) EPZ   (2) EHTP   (3) EOU   (4) EPC

g) Which of the following is issued by DGFT?
(1) IEC   (2) RCMC   (3) PAN   (4) ECGC

h) Customs Valuation rule was introduced in the year
 (1) 1947   (2) 1962   (3) 1988   (4) 1992

Q : 2 Match the following   8 Marks

    a) ECGC   1) Valid for 5 years
    b) RCMC   2) Types of customs duties

c) GBP	3) Trade Block
d) FCA	4) Export promotional scheme
e) DEPB	5) Mandatory code for imp / exp
f) BCD	6) Insurance credit
g) IEC	7) Incoterms
h) G-7	8) Currency

: 2 :

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

1.   BoT is the difference between the monetary values of exports and imports in an economy over a certain period of time.
2.   EXIM bank of India was set up in 1982.
3.   Customs Clearance Act was introduced in 1962.
4.   The General Agreement on Trade & Tariff was signed in 1947.
5.   FEMA is replaced by FERA.
6.   EPCG provides export credit insurance support to Indian exporter.
7.   Port formalities are not part of customs clearance procedure.
8.   IBRD is today more popularly known as World Bank.

Q : 4   Expand the following terms :   8 marks

1. HSN   2. TRIPS   3. IMF   4. EPC
5. CCP   6. WTO   7. CIF   8. CHA

Part : B – Solve any 3 questions. Each question carries 16 marks.

Q : 5   Narrate the steps to be adopted for import of catalysts at Mumbai Seaport in drums / containers.

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

        i) Disequilibrium
        ii) GATT
        iii) International Development Association
        iv) Euro Dollar Market
        v) EXIM bank

Q : 7 (a) What is Letter of Credit ? Name the various parties to Letter of Credit.

Q : 7 (b) What are the 5 methods of payment ?

Q : 8 (a) What are the purpose of World Bank ? How World Bank associated to India ?

Q : 8 (b) What is EXIM policy and what are the measures taken by Govt of India towards liberalization ?

Q : 9   Distinguish between following (any four)

        i) Imports & Exports
        ii) Tariff Barriers & Non tariff barriers
        iii) Forward contracts & Options

iv) Pre-shipment Credit & Post-shipment Credit

v) Consumer Packaging & Distribution Packaging

Part C - Compulsory

Q : 10 The Project Cell of Suzlon Limited, Waghodia has received an offer for import of Turbine Shaft for a steam turbine of power plant and now the import manager has to work out following values :

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 M/s Linde AG, Germany : Euro 395 FOB

Landing Charges = 1% of CIF Value

Assessable Value = CIF price + 1% landing charges

ii) Exch Rate: 1 Euro = Rs 62.41

iii) BCD = 7.5% on Assessable Value, CVD = 8.24% on Assessable Value + BCD, SAD = 4% on Assessable Value + BCD + CVD

iv) Marine Insurance = 1% of C&F

v) Ocean Freight = 3% of FOB

You may assume any data, if required.

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