



INDIAN INSTITUTE OF MATERIALS MANAGEMENT

Post Graduate Diploma in Materials Management
Graduate Diploma in Materials Management

Dec 2017

PAPER No. 7

International Trade

Date: 11.12.2017
Time: 10.00 am to 1.00 pm

Max. Marks: 100
Duration: 3 Hrs.

Instructions:

1. From Part A – answer all questions (compulsory). Each sub question 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.

Part – A

32 Marks

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

Q.1. Select appropriate answer

1. Import payment exceeds receipts against export Trade deficit
(a) Balance of Trade (b) Balance of payment
(c) Trade deficit (d) Trade surplus
2. Exchange rate for duty purpose is published by
(a) RBI (b) DGFT (c) Customs (d) EPC
3. L/C is opened by
(a) Importer (b) clearing agent (c) RBI (d) federation of trade
4. Safe guard duty is a type of
(a) Excise duty (b) Anti dumping duty (c) Cess (d) Service tax
5. Rent of container is
(a) a type of duty (b) freight (c) demurrage (d) cost of item
6. An importer can clear import consignment through
(a) Clearing agent only (b) Self (c) Custom officer (d) Sr. No. a & b
7. Swachh Bharat Cess is
(a) Value added on export (b) value added on import
(c) a type of service tax (d) cenvatable
8. BRIC is a type of
(a) trade block (b) advance authorization (c) anti dumping duty (d) CESS on CVD

Q. 2 Give Full Forms

(1) FOB (2) DDU (3) EIA (4) CAD (5) FEMA (6) IGM (7) BOP (8) ECGC

Q. 3 Mention True Or False

1. B/E is filled in the name of clearing agent
2. MATE receipt is a negotiable documents
3. Import policy is published by commerce ministry
4. One can export equivalent to import value to offset payment
5. Export incentive are given by Govt. to promote exports
6. Economic order quantity is not tool of inventory control
7. WTO is trade organization in India
8. Customs/ central excise are indirect taxes

Q.4. Match the following**Column A****Column B**

Sr. No..		Sr. No.	
1	Shipping Bill	a.	Higher fixed cost
2	Make Decisions	b.	Advertisement in papers
3	Open Tendering	c.	Air Way Bill
4	Acknowledgement of dispatch by international Air lines	d.	Price negotiation
5	A thorough knowledge of product being procured	e.	Acknowledgement of dispatch of goods by Road
6	GC note	f.	Export oriented unit
7	EOU	g.	Swachh Bharat Cess
8	Fresh levy on service tax	h.	Export Document

PART-B

Write any three (3) of the following questions 16 marks each (48 Marks)

Q.5 Discuss the concepts of green purchasing and ISO 9000.

Q. 6 Discuss the role of IMF (International Monetary Fund)

Q. 7 Define and discuss the special features of public buying.

Q. 8 Discuss the characteristics of a good negotiator.

Q. 9 Short Notes (Any Four)

- (1) E-Procurement
- (2) Export Promotion Schemes
- (3) Documents Of Import Clearance
- (4) Global Tendering
- (5) Anti Dumping Duty
- (6) Trade Deficit

PART- C
(Compulsory)

20 marks

Q 10. Read the case study carefully and answer the questions given at the end.

CHARACTERISTICS OF ORGANISATION PROCUREMENT

Multiple Influencers. With the exception of very small organizations, the purchasing decision is usually shared by several people. Multiple influencers in commercial purchasing can include production people, engineers, cost accountants, middle and upper management, and purchasing agents.

Technical Sophistication. Techniques such as materials requirement planning, supplier rating systems (both discussed in Chapter Five), economic order quantity (discussed in Chapter Twelve), and value analysis (discussed shortly), are commonly used in the industrial market. Purchasing managers now make greater use of the firm's internal engineering capability to evaluate competitive products. They are more knowledgeable of price trends, and quite expert in the art of negotiation, and tend to be specialists capable of developing detailed knowledge with respect to manufacturing processing and design specifications of those products and materials for which they are responsible.

Value Analysis. Value analysis involves systematized techniques for reducing costs and improving the performance value of materials, components, and manufacturing processes

Value analysis, as developed by General Electric, involves a step-by-step procedure:

1. **Selection.** A product that is ripe for improvement is selected for value analysis.
2. **Information gathering.** Drawings, costs, scrap rates, usage forecasts, and operations sheets are collected by the team coordinator before the team first meets. Team members are asked to send in whatever information they have.
3. **Function definition.** The team meets and defines each function of the product. A function is defined in two words, a verb and a noun (e.g. a flower pot contains soil).
4. **Generation of alternatives.** Team members suggest ideas for new and different ways-to accomplish the functions. This is known as brainstorming. All ideas are recorded and later culled to a list of manageable size.
5. **Evaluation of alternatives.** Alternatives are evaluated on various factors, including feasibility and cost. This further reduces the list to one or two good ideas.
6. **Presentation.** The final alternatives are refined and presented to a management committee as value analysis change proposals.
7. **Implementation.** The approved value analysis change proposal is translated into an analysis change order and implemented

Questions

- 1) What is organizational procurement? Define
- 2) Explain the importance of organizational procurement.
- 3) Define value analysis.
- 4) Explain the procedure of value analysis
