



INDIAN INSTITUTE OF MATERIALS MANAGEMENT
Post Graduate Diploma in Supply Chain Management & Logistics
Post Graduate Diploma in Materials Management - 2 years

Dec 2019

PAPER No. 12
International Trade

Date : 27.12.2019
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.
2. From Part B – Answer any 3 questions. Each question carries 20 marks.
3. Part C - Case study - Compulsory

Total: 20 Marks
Total : 60 Marks
Total 20 marks

PART – A (compulsory) (20 x1 = 20 marks)
Attempt all questions. Each sub question carries 1 mark.)

Q.1. Select appropriate answer [5 marks]

1. Which of the following organization of government is responsible to boost international trade
(a) RBI (b) JDGFT (c) Exim Bank (d) WTO
2. Which organization is the predecessor of the WTO
(a) TRIPS (b) TRIMS (c) EXIM bank (d) GATT
3. Pricing method in which price is based on the demand of the product is _____ Price
(a) Value based (b) Cost based (c) Demand based (d) All of the above
4. A _____ is a document issued by a financial institution at the request of a buyer
(a) consular invoice (b) bill of lading (c) Letter of credit (d) Air way bill
5. The objectives of establishing the Export Oriented Units (EOU) was to
(a) Earn Foreign Ex (b) Increase exports (c) both (a) & (b) (d) neither (a) nor (b)

Q. 2 Fill in the Blanks [5 marks]

1. _____ stated the diamond theory of International Trade
2. An organization with its operations in more than one country is called as _____
3. Barriers to imported goods aim to protect the goods of home country from _____
4. _____ is a basket of five currencies issued by the IMF
5. _____ is a document issued by the carrier of the goods

Q. 3 Mention True or False [5 marks]

1. Bill of lading is a shipping document
2. Export oriented units are meant to supply to the international market
3. A bill of lading is issued when the goods are loaded on the aircraft
4. NAFTA is a regional trading agreement
5. Customs duty is not a trade barrier

Q.4. Match the following [5 marks]

COLUMN A		COLUMN B	
Sr.No.		Sr. No.	
1	Heckscher-Ohlin	A	UNCITRAL
2	High tax & duties	B	Special Economic Zone (SEZ)
3	International trade law	C	Theory of comparative advantage
4	International bill of exchange	D	Tariff barriers
5	Promote exports	E	Written negotiable document

PART-B

Write any three (3) of the following questions 20 marks each

(60 Marks)

Q.5(a) Distinguish between international trade and domestic trade [10 marks]

(b) What are the advantages of international trade in global economy [10 marks]

Q.6 Discuss on the factors of International Macro Environment affecting international trade [20 marks]

Q.7 (a) Enumerate the difference between international marketing and domestic marketing [10 marks]

(b) Explain the scope of international marketing and the advantages associated with it [10 marks]

Q. 8 Explain the objectives and functions of World Trade Organization [20 marks]

Q. 9 (a) Explain the features of international financial management. [10 marks]

(b) Enumerate the advantages of International financial management[10 marks]

PART - C [Compulsory]

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

(20 marks)

M/s East West limited makes products for networking. They have a wide range of products and they already have close to 60% of the domestic market. they expect the growth to flatten out in the next couple of years. They have idea the market in two neighbouring countries. Initial explorations indicated a good chunk of market possibility. However, they felt the need to analyze the environment closely before they plunge into the market

Once the analysis was completed, they identified a strong competitor who is local company and has equally good products in the same area. Hence M/s East West limited felt the need to carry out marketing of their products. They have not ruled out marketing and selling online.

Export is a first time for M/s East West limited. They need to familiarize themselves in the export process to ensure a smooth and error free execution of the exports. The documentation is very important. They have decided to hire the services of an agent to carry ou the exports for them. However, they understand that knowledge of the process is essential if they are to monitor the activities of the service provider.

Questions: (4 x 5 = 20 marks)

1. What are the immediate factors the company must examine in the new markets?
2. What kind of process must the company employ in their marketing?
3. What market models would you suggest if they were to include e-marketing and online portals?
4. What is the procedure for export documentation that needs to be followed by M/s East West Limited?
