



INDIAN INSTITUTE OF MATERIALS MANAGEMENT

Post Graduate Diploma in Logistics & SCM
Post Graduate Diploma in Materials Management - 2 years

DEC 2024

PAPER No. 7 (enrollment code - PMM, PSM, CMM, CSM) International Trade

Date : 16.12..2024
Time : 10.00 a.m to 1.00 p.m

Max. Marks: 70
Duration : 3 Hrs.

Instructions:

1. Part A, contains 4 main questions (with 5 sub-questions) each question carries 1 mark - Total 20 marks
2. Part B answer any 3 questions out of 5 questions. Each question carries 10 marks - Total 30 marks
3. Part C is a case study. Read the case carefully and answer the questions - Total 20 marks

PART – A

(20X1= 20 Marks)

(Compulsory - Attempt all questions each question carries 1 mark)

Q.1 Select the right answer

[5 marks]

1. The theory of comparative advantage was proposed by
(a) Heckscher (b) Ohlin (c) Adam smith (d) Ricardo
2. Factors of production is one of the basic factors in the theory of _____
(a) Absolute advantage (b) Comparative advantage (c) National advantage (d) Mercantilism
3. Oligopoly refers to a market situation where there are
(a) Many competitors (b) Few competitors (c) Single Source (d) Perfect competition
4. Exchange rate _____ refers to the hybrid of the spot and forward transactions
(a) Swap (b) Hedging (c) Speculation (d) None of these
5. Financial integration is one of the advantages of _____
(a) Globalization (b) MNCs (c) Exporting (d) EOUs

Q.2 Fill in the blanks

[5 marks]

1. _____ model is the most basic model of an e-market
2. _____ is the electronic transfer of documents between two business organizations
3. The organization that supports the export operation of manufacturing companies is _____
4. Subsidies is a non-tariff barrier that supports _____ industries
5. _____ is an unconditional written order that binds two parties for payment of goods or services

Q.3 Mention True or False

[5 marks]

1. The international trade policy of a country is made with the objective of promoting domestic industry
2. Classical trade theory ignores the transportation cost incurred in international trade
3. Media is classified under the international macro environment
4. General Agreement on Trade and Tariffs is the forerunner for World Trade Organization
5. Franchising is one of the methods of direct export into international market

Q.4 Match The following**[5 marks]**

COLUMN A		COLUMN B	
Sr. No.		Sr. No.	
1	Service Tax Rebate	A	Proof of delivery
2	Local content requirement	B	TRIPS
3	Bill of lading	C	Non-Tariff barrier
4	Intellectual property protection	D	UNCITRAL
5	International trade laws	E	Export incentive

PART - B**[Total 30 marks]****Answer any THREE out of the following five questions:**

- Q5.** (a) What is a B2B online business model? What strategies B2B organizations must focus on? **[5 marks]**
 (b) Explain the features organization face in international finance management? **[5 marks]**
- Q6.** (a) List out the restrictions normally faced in international trade? **[5 marks]**
 (b) What are the political and economic interventions by governments in international trade? **[5 marks]**
- Q7.** (a) Explain the process followed between two organizations communicating through EDI **[5 marks]**
 (b) Explain briefly the various methods of payment followed in international trade. **[5 marks]**
- Q8.** (a) What re the functions of an export house and what are the advantages of using it? **[5 marks]**
 (b) What are the techniques adopted by UNCITRAL in the adoption of trade laws? **[5 marks]**
- Q9.** (a) What are the strategies adopted by growing economies to promote export diversification? **[5 marks]**
 (b) What are the cultural issues faced by organizations in international marketing? **[5 marks]**

PART - C**[Total: 20 Marks]****Q.10****CASE STUDY (Compulsory)**

M/s Ultimate Products (UP) is an exporter of quality electronic products which is their exclusive design. They have taken a patent on the product and want to ensure that the design is not copied. They have been able to keep their cost in check with the multiple schemes of export incentive (even when they increased their capacity) to meet the demands of the international market. They were carrying out the exports through an export house who was also do the international marketing as well for M/s Ultimate products. The export house identified an organization who were interested to partner with M/s UP and this company at present is not doing well and requires support to improve its operation. In addition, the export house identified new customers and market which was significant. In order to capture this market, they had to take some important decisions based on the options available to them. Based on the analysis multiple options were identified by M/s UP. However, they have to choose the best option among these alternatives. M/s UP were also aware that additional international market will not be easy to serve and will require the mitigation of many issues that is likely to come up while serving the new international market. A good and meaningful discussion with the top executives of the organization, the demand for the products and the support of the export house they were confident of overcoming all these challenges and going forward.

1. What were the export incentives that were available to M/s UP in their export operations? **[5 marks]**
2. What kind systematic process must be followed by M/s UP to capture the new market? **[5 marks]**
3. What will be best option for M/s UP in the current situation (consider all options)? **[5 marks]**
4. What were the issues that were expected by the organization in the new market? **[5 marks]**