



INDIAN INSTITUTE OF MATERIALS MANAGEMENT

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

DEC 2025

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

Date : 16.12.2025
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 appropriate answer [5 marks]

I.----- company has its focus on ethnocentric orientation

- (a) Multinational (b) Transnational (c) Global (d) International

II. Theory of Absolute Advantage was given by -----

- (a) David Ricardo (b) Adam Smith (c) Heckscher and Ohlin (d) Porter

III. International Micro Environment includes all of the following **EXCEPT**:

- (a) Customers (b) Competition (c) Demographic environment (d) Media

IV. International contracts of sale of goods transactions are governed by ----- :

- (a) Vienna Convention (b) Geneva Convention (c) Tokyo Convention (d) Uruguay Round

V. In the case of FDI in retail trade, government has imposed a restriction that the firm should source 30% of their products from local manufacturers. This type of barrier is known as -----

- (a) Local content requirement (b) Subsidy (c) Specific tariff (d) License

Q.2 Write the full form of: [5 marks]

- a) FTP b) MMTC c) IFM (d) IBRD (e) VER

Q. 3 Mention True or False [5 marks]

- (a). Introducing complicated documentation in international trade is an example of tariff barrier
- (b) Export tariff barrier is a tax imposed on goods of home country when they leave the home country
- (c). An organization is said to have international marketing approach if its products are sold in two or more countries
- (d) Letter of credit is a document issued by a financial institution on the request of a seller.
- (e) A Bill of Lading is a written negotiable instrument

Q.4. Match the following [5 marks]

COLUMN A		COLUMN B	
Sr.No.		Sr. No.	
1	International Trade	A	TRIPS Agreement
2	Intellectual Property Rights	B	Politico-legal
3	International Macro Environment	C	Ministry of commerce and industry
4	India Trade Promotion Organization	D	Source of revenue creation
5	Quota	E	Non-tariff barrier

PART-B

Write any three (3) of the following questions 10 marks each

[30 Marks]

Q.5

- (a) Discuss the key differences between domestic trade and international trade. [5 marks]
- (b) The modern theory of international trade has certain merits compared to classical theory while it also has certain limitations. In this context, evaluate the international trade theories with respect to their merits and limitations. [5 marks]

Q.6

- (a) Explain in brief the recent trends in world trade in goods and services [5 marks]
- (b) Discuss the differences between international marketing and domestic marketing. [5 marks]

Q.7

- (a) Exchange rate refers to the amount of one nation's currency in comparison to the value of the currency of another nation. In this context discuss the factors that affect the exchange rate of a currency. [5 marks]
- (b) What do you understand by international relations? Explain the various dimensions of international relations. [5 marks]

Q. 8

- (a) What is "Bill of Lading" in International Trade? Enumerate the different types of Bills of Lading and the functions performed by the Bill of Lading. [5 marks]
- (b) Distinguish between tariff and non-tariff barriers in international trade. Explain some of the important non-tariff barriers imposed by governments. [5 marks]

Q. 9

- (a) What are the major objectives of establishing export-oriented units (EOUs) in India? Explain about the licensing requirements of EOUs. [5 marks]
- (b) What are Electronic markets? Explain with a neat diagram about the B2C e-marketing model. [5 marks]

PART - C [Compulsory]

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

[20 marks]

Nike, a company headquartered in Beaverton, Oregon, is a major force in the sports footwear and fashion industry. The company, initially called Blue Ribbon Sports, changed its name to Nike in 1971 and adopted the "Swoosh" logo—recognizable around the world. Nike became highly successful in designing and marketing mass-appealing products. Nike has no production facilities in the United States. The company manufactures athletic shoes and garments in Asian countries and sells the products in the U.S. and international markets. In each of those Asian countries where Nike has production facilities, the rates of unemployment and under-employment are relatively high. The wage rate is very low by U.S. standards. In addition, workers in those countries often operate in poor and unhealthy environments. Understandably, the host countries are eager to attract foreign investments such as Nike's to develop their economies and raise the living standards of their citizens. Recently, however, Nike came under worldwide criticism for its practice of hiring workers for low rate of pay and overlooking poor working conditions in host countries. Initially, Nike denied the sweatshop charges but later, the company began monitoring the labor practice at its overseas factories in order to improve labor standards. Nike also agreed to random factory inspections by disinterested parties.

Questions

- a) Do you think the criticism of Nike is fair, considering the economic conditions in host countries?
- b) Do you think Nike's executives might have done differently to prevent the sensitive charges of sweatshop labor in overseas factories?
- c) Do firms need to consider the corporate social responsibilities in making investment decisions?
- d) Do you think that Nike could have avoided this criticism by taking proper measures in the initial stages itself?
