



INDIAN INSTITUTE OF MATERIALS MANAGEMENT

June 2012

Post Graduate Diploma in Logistics Management

Paper No 7

Legal Aspects And Import/Export Procedure

Date : 11.06.2012

Max Marks: 100

Time : 2.00 p.m to 5.00 p.m.

Duration: 3 hours

Instructions:

1. From Part A: answer all questions (compulsory) Each sub-question carries 1 mark **Total marks – 32**
2. From Part B: answer any 3 out of 5 questions Each question 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 in the answer sheet carefully.

PART A

Q.1} *Select the most appropriate answer from the options given:*

8 marks

1] Mate receipt is issued by the -

- a] chief of vessel
- b] customs department
- c] port authorities
- d] importer

2] GATT was converted into WTO with effect from-

- a] 1/1/ 1995
- b] 1/1/2000
- c] 1/1/2005
- d] 1/1/1990

3] The no. of independent methods of valuation of imported goods for customs duty is-

- a] three
- b] five
- c] seven
- d] two

4] ECGC is a company wholly owned by-

- a] Government of Maharashtra
- b] World Bank
- c] Government of India
- d] State Bank of India

5] The extent of loss on account of political and commercial risks covered by ECGC is only-

- a] sixty percent
- b] seventy percent
- c] eighty percent
- d] ninety percent

6] The customs department functions under the ministry of-

- a] Finance
- b] Home
- c] Defence
- d] Commerce

7] International Monetary Fund is headquartered at-

- a] New York
- b] Washington
- c] London
- d] Paris

8] International Development Association was set up in-

- a] 1950
- b] 1970
- c] 1960
- d] 1980

Q. 2] *Match the following-*

8 marks

- | | |
|-----------|--------------------------------|
| 1] D/A | Export of computer software |
| 2] VER | Growth of euro dollar market |
| 3] RCMC | Value of goods |
| 4] CDO | International Trade Expansion |
| 5] GATT | Import clearance procedure |
| 6] FOB | valid for five years |
| 7] OPEC | non-tariff barriers |
| 8] SOFTEX | method of payment to exporters |

Q.3] *State whether the following are true or false-*

8 marks

- 1] The ministerial conference of WTO meets atleast once every two years.
- 2] Risk of protracted default by the foreign buyer to pay for goods accepted by him is not covered by ECGC policy.
- 3] Exchange rate fluctuation risk is not covered by ECGC policy.
- 4] Membership in the IMF is not a pre- requisite to membership in the World Bank.
- 5] The Foreign Trade [Development and Regulation] Act 1992 has replaced the Imports and Exports[Control] Act 1947.
- 6] Airway Bill is a document of title and is issued in a negotiable form.
- 7] Open Account Trading is the opposite of Advance Payment
- 8] EXIM Bank commenced its operations from 1982.

Q.4] *Expand the following terms-*

8 marks

- 1] IBRD
- 2] WTO
- 3] TRIPs
- 4] D/P
- 5] IGM
- 6] TRIMs
- 7] BOP
- 8] GSP

PART-B (any three)

Q.5]

16 marks

- a] Explain the Harmonized System of Nomenclature [HSN] and the rules for its interpretation.
- b] What is Exim Policy and what are the measures taken by Government of India towards liberalization?

Q.6] *Write short notes on- [any four]*

16 marks

- a] Global Sourcing
- b] International Development Association
- c] Bill of Lading
- d] Commercial Invoice
- e] Disequilibrium

- Q. 7] 16 marks
- a] What is Export Promotion Council? Explain its function and role.
b] Discuss the objectives and functions of EXIM Bank.
- Q.8] Explain the Import Clearance Procedure under the Indian Customs Act 16 marks
- Q.9] Distinguish between [any four] 16 marks
- a] Consumer packaging and Distribution packaging
 - b] Current Account and Capital Account
 - c] Tariff Barriers and Non- tariff Barriers
 - d] Pre-shipment credit and Post-shipment credit
 - e] Forward contracts and options

PART-C [compulsory]

20 marks

Q.10] Calculate the incidence of customs duties on the import of certain capital goods from Canada for a project in India based on the following data-

[a] Price of goods from Canada	- US dollars 20000 FOB
[b] Marine Insurance	- 1% of FOB
[c] Ocean Freight	- 2% of FOB
[d] Landing charges	- 1% of CIF value
[e] Assessable Value [AV]	- CIF value + Landing charges
[f] Basic Custom Duty	- 10 % on AV
[g] CVD	- 8 % on [AV + BCD]
[h] SAD	- 4% on [AV + BCD + CVD]
[i] Exchange Rate	- 1 US dollar= 48 rupees

Please work out the following for the use of ABC Limited-

- 1] CIF value in INR
- 2] Assessment Value in INR
- 3] Basic Custom Duty in INR
- 4] CVD in INR
- 5] SAD in INR

The amount may be rounded of to the nearest rupee. Any additional data necessary may be assumed.
