



INDIAN INSTITUTE OF MATERIALS MANAGEMENT

Post Graduate Diploma in Logistics Management

June 2014

Paper No 7

Legal Aspects And Import/Export Procedure

Date : 16.06.2014

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

Total: 32 Marks

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

8 marks

1. Bill of lading is issued in the case of shipment by:
 - a. sea
 - b. air
 - c. road
 - d. rail
2. International Development Association was set up in:
 - a. 1960
 - b. 1970
 - c. 1977
 - d. 1987
3. AWB is issued in the case of shipment by:
 - a. rail
 - b. air
 - c. ship
 - d. road

4. Exim Bank was set up in:
 - a. 1984
 - b. 1982
 - c. 1994
 - d. 2002

5. Exim Policy is administered by the Ministry of
 - a. External Affairs
 - b. Finance
 - c. Home
 - d. Commerce

6. The extent of loss on account of political or commercial risks covered by ECGC is only:
 - a. 50%
 - b. 60%
 - c. 40%
 - d. 90%

7. RCMC is issued by:
 - a. SBI
 - b. RBI
 - c. DGFT
 - d. UTI

8. The 8th round of multilateral trade negotiations held under the auspices of GATT is known as the:
 - a. Paris round
 - b. Sri Lanka round
 - c. Uruguay round
 - d. Brazil round

Q.2] Write the full form of the following:

8 marks

1. SDRs
2. TRIMs
3. IGM
4. GSP
5. VERs
6. CHA
7. STC
8. BIS

Q.3] State whether the following statements are true or false:

8 marks

1. No. of independent methods of valuation of imported goods for customs duty is 5
2. The Ministerial Conference of WTO meets once every 5 years.
3. The letter of credit is opened at the initiative and request of the buyer
4. Pre-shipment finance and packing credit are different
5. The Capital Account consists of short term and long term capital transactions.
6. FERA replaced FEMA
7. The principles of assessing bill of entry and shipping bill are the same.
8. Risk of commercial dispute raised by the buyer is covered under ECGC policy

Q.4] Fill in the blanks:

8 marks

1. The Principal Financial Institution for coordinating working of institutions engaged in financing _ export is_____.
2. GATT was converted into WTO with effect from 1.1. _____.
3. IMF has 3 basic functions, namely, regulatory, financial and _____
4. Reduction in the official rate at which one's currency is exchanged for another currency is called _____
5. Mate receipt is issued by chief of _____
6. International Monetary Fund is headquartered at _____
7. The Customs Department functions under the Ministry of _____
8. D/P means Document against _____

PART-B

Total: 32 Marks

Answer any three of the following questions 16 x3= 48 marks

Q.5] Write short notes on: (any 4)

16 marks

- a. Global sourcing
- b. Bill of lading
- c. Consular Invoice
- d. International Development Association
- e. IMF
- f. Export Promotion Councils

Q.6]

16 marks

- a. What is the goal of ECGC? Enumerate the obligations of an exporter under the ECGC policy.
- b. Discuss the factors that have contributed to the growth of Euro-dollar market

Q.7]

16 marks

- a. What is the importance of export finance? Explain the salient features of pre-shipment, post-shipment and suppliers credit.

Q.8]

16 marks

- a. Explain the documents for customs clearance of goods.
- b. Discuss the Exchange Control Regulations relating to Imports

Q.9] Distinguish between: (any 4)

16 marks

- a. Current account and capital accounts
- b. Tariff barriers and non-tariff barriers
- c. Forward contracts and options
- d. Balance of Trade and Balance of Payments
- e. Consumer packaging and distribution packaging
- f. Revocable credit and irrevocable credit

PART-C [compulsory]

20 marks

Q.10] PQR Limited wants to know the incidence of customs duties on the import of certain capital goods from Canada for their project in India based on the following data-

- [a] Price of goods from USA - US dollars 40000 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= 60 rupees

Please work out the following for the use of XYZ 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 off to the nearest rupee. Any additional data necessary may be assumed.
