



INDIAN INSTITUTE OF MATERIALS MANAGEMENT

June 2015

Post Graduate Diploma in Logistics Management

Paper No 7(New)

Import/Export Procedure

Date : 15.06.2015

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.
4. Please read and follow the instructions given in the answer sheet carefully. **Total marks – 20**

PART-A

(32 x1 =Total: 32 Marks)

Q1. Indicate whether following statements are 'True' or 'False':

- 1.1 Bulk cargo that is unpacked is of the same or a similar kind or nature.
- 1.2 Enquiry is the beginning of an export transaction.
- 1.3 FERA is replaced by FEMA.
- 1.4 IBRD is not a member of the World Bank.
- 1.5 Bill of lading is a document issued by the customs department.
- 1.6 Advalorem rate of duty is not collected based on assessable value of goods.
- 1.7 Many companies have adopted global sourcing as a major competitive strategy.
- 1.8 A number of economic factors may cause disequilibrium.

Q2. Write the full form of the following abbreviations.

2.1 TRIPS	2.3 WTO	2.5 MFN	2.7 BOP
2.2 CEGATE	2.4 FEMA	2.6 ECGC	2.8 ICC

Q3. Match the following.

1. Customs House Agents	a) Small cargo ships, often containerships, that run on feeder routes.
2. Duty Draw Back	b) used to clear the earlier stored goods from the warehouse on actual payment of duty.
3. Coasters	c) is an inland inter-modal terminal, connected by road or rail to Seaport.
4. Dry Ports	d) a group of shipping companies that have agreed rates and same shipping conditions.
5. Conference	e) spells out rights and liabilities of both the parties clearly.
6. Export Contract	f) used where the importer does not want an immediate delivery of goods imported by him.
7. Bill of entry for Ware – houses	g) Incentive given to exporters of different categories.
8. Bill of entry for Ex-bond clearance	h) Agencies that specialize in customs clearing of both Export as well as Import cargo.

Q4. Fill in the Blanks.

- a) Sea Shipments account for bulk of the World's cargo movement due to economy, capacity and
- b) Over 90% of World trade is carried by the Shipping industry.
- c) The current account includes all which give rise to or use up national income.
- d) The IMF combines three major functions namely regulatory, financial &
- e) Documentary is most appropriate and currently adopted method of to International transactions.
- f) A number of economic factors may cause a disequilibrium in BOP.
- g) Customs duty is a type of indirect tax levied on goods into India as well as goods from India.
- h) Customs rules were introduced in the year 1988.

PART- B

Total (3x16 = 48) Marks

Answer any three from the following questions

- Q5. What is the importance of Pre-Shipment Inspection? What are the various methods of Certification available to Indian Exporters?
- Q6. Why are imports necessary? What are the types of importers? Describe the import clearance procedure.

- Q7. Define Export Logistics. What is Export Supply Chain? What are the types of Cargo Ships.
- Q8. Write short notes on any two of the following.
- a) Tariff barriers.
 - b) Revolving letter of credit.
 - c) Importance of Export Packaging.
 - d) Deferred Payment Credit.
 - e) Port Shipment Credit.
 - f) Containerization.
 - g) Export Contracts
- Q9. What is Customs clearance? Why is it necessary? Explain the customs clearance procedure while importing goods.

Part C – (Compulsory)

Total : 20 Marks).

- Q 10.** M/s Siemens Mumbai received an offer for import of complete Rotor Assembly for a Turbo Supercharger. The Purchase Manager has to work out the following to take the required sanctions for processing the imports. No of units to be imported is 20
- a) CIF Price in Indian Rupees.
 - b) Basic Customs Duty (BCD) in Indian Rupees.
 - c) Countervailing Duty (CVD) in Indian Rupees.
 - d) SAD in Indian Rupees.
 - e) Landed Cost in Indian Rupees.

Use following data for calculation purpose:

- i) Price of M/s Siemens Germany : 500 Euro for the Rotor Assembly
- ii) Landing Charges : 1% of CIF Value.
- iii) Assessable Value = CIF Price + 1% landing charges
- iv) Exchange Rate 1Euro = Rs 69.18
- v) BCD = 7.5% on Assessable Value, CVD = 12.5 % on Assessable Value
- vi) SAD = 4% on Assessable + BCD + CVD.
- vii) Marine Insurance = 1% of CIF,
- viii) Ocean Freight = 3% of FOB.

You may assume any data, if required.
