INDIAN INSTITUTE OF MATERIALS MANAGEMENT

June 2016

INDIAN INSTITUTE OF MATERIALS MANAGEMENT
Post Graduate Diploma in Materials Management
Graduate Diploma in Materials Management
PAPER No. 7 (New)

International Trade

Date: 13.06.2016 **Max. Marks: 100**
Time: 10.00 a.m. to 1.00 p.m. **Duration: 3 Hrs.**

Instructions:

1. From Part A – answer all questions (compulsory). Each sub questions carries 1 mark. **Total: 32 Marks**
2. From Part B – Answer any 3 questions out of 5 questions. Each sub-question carries 16 marks. **Total : 48 Marks**
3. Part C is a case study (compulsory) with questions. Read the case study carefully and answer the questions. **Total: 20 Marks**
4. Please read the instructions given in the answer sheet.

Part – A **32 Marks**

(Attempt all questions Each sub questions carries 1 mark.)

Q1. Select the correct option: **8 marks**

a.. Which of the following is not a type of quota?

i. Tarif quota
ii. Unilatéral quota
iii. Ad Valorem quota
iv. Reservation quota

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b. Which of the following is NOT a reason why nations export?

i. Some nations produce more goods or services than can be consumed at home.
ii. Some nations are able to sell goods or services to other nations at higher prices than they can obtain domestically.
iii. For some nations, especially developing countries, export can serve the purpose of earning foreign currency with which they can buy essential imports.
iv. For some nations, export can halt the fluctuation of the national currency.

c. Which of the following document is not attached with B/E?

i. Invoice
ii. B/L
iii. Insurance
iv. Tender Enquiry

d. Customs Clearance Act was introduced in the year

   i. 1947
   ii. 1962
   iii. 1988
   iv. 1991

State True or False:

e. BoT is the difference between the monetary values of exports and imports in an economy over a certain period of time

f. Port formalities are not part of customs clearance procedure.

g. When the exchange rate is taken into consideration, prices do not vary among countries.

h. Governments have traditionally tried to manage trade flows by encouraging exports and restricting imports.

Q2. Match the following: **8 marks**

Column "A"	Column "B"
a. Balance of trade	i. Mandatory code for import & export
b. Capital Goods	ii. Insurance credit
c. IEC	iii. Trade Block
d. ECGC	iv. Type of custom duty
e. G – 7	v. Plants and heavy equipment
f. BCD	vi. difference between a country's total imports and exports
g. Intellectual property	vii. Special right on the goods produced
h. GBP	viii. Currency

Q3. Fill in the blanks: **8 marks**

a. Countries _______goods or services if essential goods or services are not naturally available or cannot be produced at home.

b. __________reference is necessary for the custom clearance of imported goods.

c. New Incoterms have been introduced by ICC in the year______________.

d. General Agreement on Trade and Tariff was signed in the year___________.

e. _______ is an Export Promotion Scheme..

f. IEC is issued by __________

g. When a country's total annual imports _____________its total annual exports, it is said to have trade deficit.

h. . ____________are required to be paid to Airport Authorities, when custom clearance of imported air consignments is delayed.

Q4. Give the full forms: **8 marks**

1. BTN
2. TRIPS
3. CCP
4. LERMS
5. ICD
6. DDU
7. SAARC
8. ICC

PART-B

Write any three (3) of the following questions 16 marks each **(48 Marks)**

Q5.What are incoterms? What is the usefulness of each term?

Q6. What are the general procedures for import and export of goods? Explain.

Q7. Define the term International Trade. What are economic benefits of

International Trade?

Q8. a. Why are trade deficits and foreign investments politically sensitive issues and perceived to be by some individuals an economic problem?

b. Summarize and critically analyze the pros and cons of free trade.

Q9.Write short notes on **ANY TWO** of the following:

a. FERA and FEMA
b. Foreign Direct Investment
c. Balance of Payment
d. Global Marketing & Domestic Marketing

PART- C 20 **marks**

(Compulsory)

Q : 10The Project Cell of Suzlon Limited, Waghodia has received an offer for import of Turbine Shaft for a steam turbine of power plant and now the import manager has to work out following values :

a) CIF Price in INR
b) Basic Customs Duty in INR
c) CVD in INR
d) SAD in INR
e) Landed Cost in INR

Use following data for calculation purpose:

i) Price of M/s Linde AG, Germany : Euro 395 FOB
Landing Charges = 1% of CIF Value

Assessable Value = CIF price + 1% landing charges

ii) Exch Rate: 1 Euro = Rs 62.41

iii) BCD = 7.5% on Assessable Value, CVD = 8.24% on Assessable Value + BCD,SAD = 4% on

Assessable Value + BCD + CVD

iv) Marine Insurance = 1% of C&F

v) Ocean Freight = 3% of FOB
You may assume any data, if required.

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