INDIAN INSTITUTE OF MATERIALS MANAGEMENT

Post Graduate Diploma in Materials Management
Graduate Diploma in Materials Management
PAPER No. 7

June 2018

International Trade

Date: 11.06.2018   **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**

Part – A   32 Marks

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

Q : 1. Select the most appropriate answer from the options given :   8 marks

a) Normal duration of EXIM policy is

(1) 10 year   (2) 2 years   (3) 3 years   (4) 5 years

b) The customs valuation rules were introduced in the year

(1) 1962   (2) 1975   (3) 1988   (4) 1992

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

(1) B/L (2) Invoice (3) Tender Enquiry   (4) Insurance

d) International trade is an exchange of

(1) Capital (2) Goods   (3) Services   (4) All of them

e) Bill of Entry is required in case of

(1) Import   (2) Export   (3) Both import & export   (4) None of above

f) Which of the following is not an export promotional scheme?

(1) ECGC   (2) QABAL   (3) GATT   (4) DEPB

g) Which of the following is a trade block?

(1) SEZ   (2) FERA   (3) UCPDC   (4) G7

h) The normal time limit for settlement of import payment is

(1) 180 days   (2) 100 days   (3) 365 days   (4) 260 days

Q : 2 Match the following   **8 marks**

Column A	Column B
a) Export Customs Document	1) Imports/Exports
b) Bill of Entry	2) IEC
c) Code for Import & Export	3) WTO
d) Global Trade Organization	4) GBP
e) DAT	5) BCD
f)Custom Duty	6) Shipping Bill
g) Currency	7) Excise Duty
h) Inland Tax	8) Incoterm

Q : 3 – State whether the following statements are True or False.   **8 marks**

1. IGM gives details of the imported goods.
2. New Inco-terms were introduced by ICC in the year 2010.
3. Customs Clearance Act was introduced in 1963
4. Import of second hand capital goods can be covered under EPCG scheme
5. BoP gives better picture of country's economic situation
6. Incoterms stand for International Common Terms
7. IEC is issued by DGFT.
8. Marine survey is carried out to assess the loss of air freighted cargo.

Q : 4   Expand the following terms :   **8 marks**

1. EOU	2. TRIPS	3. ICD	4 SEZ
5 EPCG	6. NAFTA	7. STP	8 FEMA

PART-B

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

Q : 5 What is Letter of Credit ? What is the importance of Letter of Credit in the international business? Elaborate different types of Letter of Credits prevailing in business?

Q : 6 Write short notes on following (any two) :- **(2 x8 = 16 marks)**
   i)   Import & Export clearance Procedures
   ii) Importance of Incoterms
   iii) Role of Trade Blocks in International Trade
   iv) Balance of Payment and Balance Trade

Q : 7 What is the difference between Global Marketing & Domestic Marketing? Discuss the benefits of International Trade.

Q :8 What is the need for trade policy and government intervention? Discuss how tariffs, duties and subsidies are determined.

Q : 9 Distinguish between following (any two) **(2 x8 = 16 marks)**
   i) FERA and FEMA
   ii) IBRD & WTO
   iii) EPC & EPCG
   iv) Direct Imports & High Sea Imports

PART- C   **20** marks

(Compulsory)

Q10.

Mehta & Company is an Indian manufacturer exporter of aluminum profiles.

Mehta & Co always use open top container for export. This exporter sent his one FCL consignment to foreign buyer at Germany. After receiving consignment at Hamburg Germany, importer (Buyer) found that there was water inside the container. Aluminum profile was also damaged. Therefore Germany buyer rejected this consignment.

Mehta & company were ready to take back container in India for repairing and re-engineering. After repairing and re- engineering they want to re- export same container to original buyer at Germany.

Questions

1. Is it possible to bring back exported container in to India? Explain.

2. What are Customs formalities for the import of exported container?
3. What are Customs formalities for the re- export of repaired material?
4. As per Customs, What the main conditions for re-export are of repaired /re conditioned items.

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