



INDIAN INSTITUTE OF MATERIALS MANAGEMENT

Post Graduate Diploma in Logistics & SCM
Post Graduate Diploma in Materials Management - 2 years

June 2024

PAPER No.12 (enrollment code - CPM, CPS)
PAPER No. 7 (enrollment code - PMM, PSM, CMM, CSM) (**OFFLINE EXAM**)
International Trade

Date : 10.06.2024
Time : 10.00 a.m to 1.00 p.m

Max. Marks: 70
Duration : 3 Hrs.

Instructions:

1. Part A, contains 4 main questions (with 5 sub-questions) each question carries 1 mark - Total 20 marks
2. Part B answer any 3 questions out of 5 questions. Each question carries 10 marks - Total 30 marks
3. Part C is a case study. Read the case carefully and answer the questions - Total 20 marks

PART – A

(20X1= 20 Marks)

(Compulsory - Attempt all questions each question carries 1 mark)

Q.1 Select the right answer

[5 marks]

1. Increase in competition is one of the factors affected by _____
(a) Limited suppliers (b) Excess availability (c) Globalization (d) Low prices
2. Reducing trade cost is one of the factors that promote _____
(a) Exp. Diversification (b) FDI (c) Imports (d) Exports
3. It is advantageous to use _____ when the available resources are low for documentation
(a) Outsourcing (b) Subcontracting (c) Export houses (d) All of these
4. Diamond theory of national advantage was proposed by _____
(a) Smith (b) Ricardo (c) Heckscher (d) Porter
5. Media is one of the components of international _____
(a) Macro environment (b) Global environment (c) Micro environment (d) None of these

Q.2 Fill in the blanks

[5 marks]

1. Technology is one of the components of the _____
2. Fast industrialization is one of the factors that supports _____
3. _____ organization was the fore runner of the World Trade Organization (WTO)
4. Mergers and acquisition is one of the options available for a company to enter _____
5. In order to protect national security Government _____ in international trade

Q.3 Mention True or False

[5 marks]

1. Letter of credit is a payment system followed between the buyer and seller through a bank
2. Market speculation is a factor that affects the exchange rate of a currency between countries
3. Financial integration is one of the disadvantages of globalization
4. Organizations have to deal with multiple currencies while operating in international market
5. EXIM policy of the Indian government regulates international trade between the countries

Q.4 Match The following**[5 marks]**

COLUMN A		COLUMN B	
Sr. No.		Sr. No.	
1	Industrial parks	A	Trade barrier
2	Tariff	B	World Bank
3	IMF	C	Types of SEZ
4	Advance authorization scheme	D	Theory of national advantage
5	Diamond theory	E	Export incentive

PART - B**[Total 30 marks]****Answer any THREE out of the following five questions:**

- Q5.** (a) In the course of international trade, what are the barriers encountered by them? **[5 marks]**
 (b) Explain the various modes of payment followed in international payments? **[5 marks]**
- Q6.** (a) Explain the 2 modern theories of international trade? **[5 marks]**
 (b) List out the procedure followed in export trade documentation? **[5 marks]**
- Q7.** (a) Explain the scope and advantages of international marketing? **[5 marks]**
 (b) Explain the process of working of the EDI system. **[5 marks]**
- Q8.** (a) What is the process followed in the process of international marketing? **[5 marks]**
 (b) Bring out the differences between domestic marketing and international marketing? **[5 marks]**
- Q9.** (a) Explain briefly the multiple cultural factors that are issues in international trade. **[5 marks]**
 (b) Explain the forces of globalization. **[5 marks]**

PART - C**[Total: 20 Marks]****Q.10****CASE STUDY (Compulsory)**

Mr. Quentin is an established manufacturer exporter. His is a small company and he uses a service provider to take care of all his export documentation. The service provider takes care of the documentation but Mr. Quentin is interested in knowing and crosschecking all details as he does not want to have any other issue at a later date.

As Mr. Quentin became familiar with the documentation process for export, he knew he could handle this with a couple of his employees. If he were to do this his service providers will be without any work. The service provider was struggling in another area which Mr. Quinten thought was more important. He has been trying to penetrate into new markets and looking at ways and means of collecting some market intelligence. He thought it was best to take these service providers out of this routine activity and put on helping him with the marketing activity

With the expected inputs about the new markets, Mr. Quinten wanted to chalk out a plan. Being a small manufacturer, he knew his limitations in going to foreign country for marketing. He thought it would be best to use international e-marketing. He realized the potential of e-commerce and the opportunity it gave him to get in touch with other businesses as well.

With this strategy he has chalked out he was able to penetrate new markets and establish online sales as well.

Questions:

1. What is the name of the service provider and what are its activities?
2. What is the list of export documents that Mr. Quentin is required at each step for export?
3. What is an e-market? Suggest the steps in a B2C e-marketing model for Mr. Quentin.
4. What are the strategies he must focus on in order to enter into B2B business and selling online?