



INDIAN INSTITUTE OF MATERIALS MANAGEMENT

# **Post Graduate Diploma in Logistics & SCM**

## **Post Graduate Diploma in Materials Management - 2 years**

JUNE 2025

# **PAPER No. 7 (enrollment code - PMM, PSM) International Trade**

**Date** : 16.06.2025  
**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. Government intervention experienced in international trade
  - (a) Tariffs
  - (b) Customs
  - (c) Cultures
  - (d) Language
2. The theory of mercantilism on international trade was proposed by
  - (a) Ricardo
  - (b) Heckscher & Ohlin
  - (c) John Smith
  - (d) Adam Smith
3. \_\_\_\_\_ refers to a market condition in which there is no competition
  - (a) Oligopoly
  - (b) Monopoly
  - (c) Perfect
  - (d) Monopolistic
4. An \_\_\_\_\_ corporation is an organization that has its operation in multiple countries
  - (a) International
  - (b) Multinational
  - (c) Foreign
  - (d) None of these
5. The risk associated with international financial market is the \_\_\_\_\_
  - (a) Central bank
  - (b) Political
  - (c) Foreign exchange
  - (d) All of these

## **Q.2 Fill in the blanks**

[5 marks]

1. In \_\_\_\_\_ model of e-markets, the supplier and customer interact on the same website
2. \_\_\_\_\_ is the electronic transfer of data between two business entities
3. Use of \_\_\_\_\_ is opted by manufacturers to assist them in their export activities
4. \_\_\_\_\_ refers to the policy of the government that does not place restrictions on import or export
5. In the case of \_\_\_\_\_ delivery is made to anyone who has possession of the document

### **Q.3 Mention True or False**

[5 marks]

1. Marine insurance protects against the loss or damage of goods when transported by Sea
2. In cost-based pricing the selling price is arrived by adding the desired profit to the cost of manufacture
3. Increase in domestic production is one of the outcomes of international financial management
4. Location of purchase is one of the factors that is an issue in international marketing
5. In horizontal merger organization that are in the same industry are merged

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

COLUMN A		COLUMN B	
Sr. No.		Sr. No.	
1	Conglomerate mergers	A	National advantage
2	Marketing intermediaries	B	Increase in stock value
3	Porters diamond model	C	e-markets
4	International trade barrier	D	Distribution firms
5	Broker model	E	Foreign exchange control

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

**Q5.** (a) What are the steps in a typical e-marketing set up? Explain the steps briefly. **[5 marks]**  
 (b) What are the different methods of pricing adopted in international trade? **[5 marks]**

**Q6.** (a) What is international trade insurance? Explain some of the common types of insurance? **[5 marks]**  
 (b) What are the advantages of international finance management? **[5 marks]**

**Q7.** (a) What are the barriers and restrictions faced by international trade? **[5 marks]**  
 (b) What are the multiple options for entry into international markets? **[5 marks]**

**Q8.** (a) What are the different types of bills of lading documents generally issued. Explain briefly. **[5 marks]**  
 (b) What are the main objectives and activities of the ITPO? **[5 marks]**

**Q9.** Explain the steps and procedure for export trade documentation **[10 marks]**

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

M/s Sunrise incorporated are manufacturers of special components and printed circuit assemblies used in the computer industry. The import content for all the products and assemblies manufactured by them are high. M/s Sunrise have recently noticed a flattening of the demand and while exploring the various opportunities identified some export markets for their products. In order to be competitive they need to reduce the cost of their inputs. The marketing department indicated a good demand from the export market but the present capacity will be inadequate to meet the demand. The capital investment will add to the product cost. M/s sunrise feels that at least a reduction in the import duty will help in cost reduction. At present M/s sunrise do not have any experience in handling exports and they have to acquire new skills. They would also require assistance in export marketing and market assessment

M/s Sunrise, while discussing their intentions with a consultant was offered other alternatives. One of the alternatives suggested by the consultant to meet the export demand and cost reduction simultaneously looked attractive and advantageous. M/s Sunrises incorporated decided to opt for the alternative suggested by the consultant

**Questions:**

1. What are the options available to reduce the cost of the imported components. **[5 marks]**
2. What are the options available to reduce the cost of capital investments **[5 marks]**
3. What would be the options available to M/s Sunrise to help in the export activities? **[5 marks]**
4. What was the other alternative suggested by the consultant what are its advantages? **[5 marks]**