

DEC-2009

INDIAN INSTITUTE OF MATERIALS MANAGEMENT
Post Graduate Diploma in Materials Management
Graduate Diploma in Materials Management

Paper No. 7
International Trade

Date : 14.12.2009
Time : 10.00AM to 1.00 PM

Max. Marks :100
Duration :3 Hrs.

- Instructions :**
- Part A** - Contains 4 main questions(with 8 sub questions). Each questions carries 1 marks. **Total : 32 Marks**
 - Part B** – Answer any 3 questions out of 5 questions. Each question carries 16 marks. **Total : 48 Marks**
 - Part C** is compulsory and it is a case study carries 20 marks **Total: 20 Marks**
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Part A

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

- What is the normal duration of EXIM Policy?
(1) 1 year (2) 2 years (3) 3 years (4) 5 years
- The customs valuation rules were introduced in the year
(1) 1962 (2) 1975 (3) 1988 (4) 1992
- Which of the following currency is highest rated compared to INR
(1) GBP (2) Euro (3) Yen (4) USD
- Cenvat Credit can be availed against all of following except
(1) SAD (2) CVD (3) BCD (4) Cess on CVD
- Bill of Entry is required in case of
(1) Import (2) Export (3) Both import & export (4) None of above
- Which of the following is not an export promotional scheme?
(1) ECGC (2) DEEC (3) DEPB (4) Deemed Export
- Which of the following is a trade block?
(1) SEZ (2) G7 (3) UCPDC (4) FERA
- What is the normal time limit available to an exporter to realize export proceeds?
(1) 300 days (2) 180 days
(3) 365 days (4) 260 days

Q : 2 Match the following

8 marks

- | | |
|------------------|----------------------------|
| a) Shipping Bill | 1) 5 years |
| b) RCMC | 2) Type of customs duty |
| c) FOREX | 3) Currency |
| d) AUD | 4) Insurance Risk |
| e) DDP | 5) HQ at Paris |
| f) ICC | 6) Export Customs Document |
| g) ECGC | 7) Exchange Rate Variation |
| h) SAD | 8) Incoterm |

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

8 marks

1. Import of both new and second hand capital goods can be covered under EPCG scheme.
2. IEC is a beginning point for any import / export transaction.
3. Customs Clearance Act was introduced in 1962.
4. Aligned documentation system is applicable for port trust formalities.
5. BoP gives better picture of country's economic situation rather than BoT.
6. The currency of Germany is Franck.
7. EOU is different than EPZ.
8. Pre-shipment finance credit is part of Post-shipment finance credit.

Q : 4 Expand the following terms :

8 marks

- | | | | |
|---------|-----------|----------|---------|
| 1. EHTP | 2. UNCTAD | 3. IMF | 4. IBRD |
| 5. WTO | 6. NAFTA | 7. SAARC | 8. BCD |

Part – B

Solve any 3 questions. Each question carries 16 marks.

Q : 5 What do you understand by word 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 four)

- i) Foreign Trade Development Act
- ii) Importance of Incoterms
- iii) Export Procedures
- iv) Role of Trade Blocks in International Trade
- v) Port Formalities
- vi) Categories of Exporters

Q : 7 What is an import cycle ? Which are different steps involved in import of any goods in India?

Q : 8 What is the need for trade policy and government intervention? How tariffs, duties and subsidies are determined? Which are major types of quota permitted?

Q : 9 Distinguish between following (any four)

- i) Duty Refund & Less Charge Demand
- ii) IBRD & WTO
- iii) EPC & EPCG
- iv) Imports & Exports
- v) Direct Imports & High Sea Imports

Part - C - (Compulsory)

Q : 10 M/s Adani Industries Ltd is working out for import of turbine shaft for a steam turbine at the rate of USD 4600 per unit on C&F Mumbai port basis.

Calculate the following values:

- (a) Basic Customs Duty (BCD)
- (b) Countervailing Duty (CVD) including cess
- (c) Cess on total duty
- (d) SAD
- (e) CIF values in Rs
- (f) Total cost in Rs

Use following data for calculation purpose :

- (a) Landing Charges @ 1% of CIF
- (b) Exch. Rate : 1 USD = Rs 46.50
- (c) BCD 7.5%, CVD 8.24 %, SAD 4%
- (d) Assessable Value = CIF value + Landing charges
- (e) Marine Insurance 1% of C&F

You may assume any data if required.
