

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

PAPER -7 (New/Old)
International Trade

Date: 15.12.2008
Time: 10.00AM to 1.00PM

Max. Marks: 100
Duration: 3 Hours

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

Part A

- Q: 1 Select the most appropriate answer from the options given: 8 marks
- a) The normal validity of IEC is
(1) 1 year (2) 3 years (3) 5 years (4) Indefinite
 - b) Bill of Exchange a document for
(1) Customs (2) Sales Tax (3) Excise (4) Payment
 - c) The normal validity of DEPB License is
(1) 12 months (2) 18 months (3) 24 months (4) 36 months
 - d) Which Incoterm is applicable in country of import?
(1) FOB (2) C&F (3) FAS (4) Ex-works
 - e) GR form is required in case of
(1) Import (2) Export (3) Both import & export (4) None of above
 - f) Which one of the following is an insurance credit?
(1) ECGC (2) DEEC (3) DEPB (4) DGFT
 - g) Export of imported goods in any form or condition is known as
(1) Real Export (2) Physical Export (3) Deemed Export (4) re-export
 - h) In general, payment methods are
(1) One (2) Two
(3) Four (4) Five

Q : 2 Match the following:

8 Marks

- | | |
|------------------|----------------------------|
| a) Bill of Entry | 1) Export Customs Document |
| b) Shipping Bill | 2) Type of customs duty |
| c) FOREX | 3) UCPDC |
| d) L/C | 4) CVD |
| e) DDP | 5) Customs Manifest |
| f) IGM | 6) Import Customs Document |
| g) Cenvat Credit | 7) Exchange Rate Variation |
| h) SAD | 8) Incoterm |

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

1. Balance of Trade is different than Balance of Payment.
2. HSN is 9 digit classification methods.
3. Customs Valuation Rules were introduced in 1988.
4. Aligned documentation system is applicable for customs clearance.
5. FERA is replaced by FEMA.
6. The currency of New Zealand is Dollar.
7. EOU is different than SEZ.
8. Duty exemption schemes are given to control the exports.

Q: 4 Expand the following terms : 8 marks

- | | | | |
|---------|--------|--------|---------|
| 1. GATT | 2. BoP | 3. WTO | 4. IBRD |
| 5. HSN | 6. IMF | 7. CoO | 8. IDA |

Part: B

Solve any 3 questions. Each question carries 16 marks.

- Q: 5** What do you mean by importation? What is the importance of importation for the economy of any country? Elaborate different steps involved in importation?
- Q: 6** Write short notes on following (any four)
- i) Consumer Packaging
 - ii) Export Documentations
 - iii) Functions of Customs Dept
 - iv) EXIM Policy
 - v) EPCC scheme
 - vi) Principles of GATT
- Q: 7** What is HSN system? Which rules are generally followed for interpretation of HSN? Explain the digit classification method?
- Q: 8** What is export finance? What is the importance of export finance? What is pre-shipment finance?
- Q: 9** Distinguish between following (any four)
- i) GATT & WTO
 - ii) World Bank & IBRD
 - iii) Balance of Payment & Balance of Trade
 - iv) Bill of Lading & Shipping Bill
 - v) At Sight L/C & With Credit L/C

Part C - Compulsory

3

Q: 10 M/s Jet Airways, Mumbai office is working out for import of spare turbo engine for their aircraft at the rate of USD 125 per unit on FOB US main 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) Marine insurance @ 1% of C&F
- (b) Landing Charges @ 1% of CIF
- (c) Exch. Rate : 1 USD = Rs 48.68
- (d) BCD 5%, CVD 14.42 %, SAD 4%
- (e) Assessable Value = CIF value + Landing charges
- (f) Ocean Freight 3% of FOB

You may assume any data if required.
