

Course 524— INTERNATIONAL TRADE PROCEDURE AND DOCUMENTATION

(Admissions of 2004 and onward)

Time : 3 hours

Maximum Marks : 70

(Write your Roll No. on the top immediately on receipt of this question paper.)

Attempt all the five questions.

Q1. Find out the correct option in the following questions

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- A. An importer requires goods of a stipulated quality while the exporter requires certainty of payment. Which of the following would BEST meet all requirements?
- a) Confirmed standby credit payable on demand calling for beneficiary's quality certificate.
 - b) Confirmed documentary credit payable at calling for beneficiary's quality certificate.
 - c) Confirmed documentary credit available by acceptance with drafts drawn on confirming bank calling for third party quality certificate.
 - d) Unconfirmed documentary credit payable at sight with drafts on issuing bank calling for third party quality certificate.

B. Which of the following Incoterms is correctly described?

Incoterm	Insurance Doc	Transport Doc
a. DDP	Required	Marked Freight Paid
b. CFR	Required	Marked Freight Collect
c. FOB	Not Required	Marked Freight Paid
d. FCA	Not Required	Marked Freight Collect

C. A documentary credit call for presentation of an insurance certificate. Which of the following insurance document(s) would be acceptable for CIF shipment where the invoice value is USD 75,000.00?

- 1. Insurance Certificate for USD 82,500.00
- 2. Insurance Policy for USD 85,000.00
- 3. Insurance Declaration under open cover for USD 75,000.00
- 4. Insurance Certificate for USD 75,000.00

Turn over

D. The words "about" or "approximately" used in the accordance with the amount of the credit means that the quantity and price in the credit allows a tolerance not to exceed

- a) 10% more or less than the amount, quantity or price
- b) A tolerance not to exceed 5% more or less than the quantity of the goods is allowed
- c) No limit up to which a tolerance in quantity and price stated in the LC is allowed
- d) None of the above

E. Which is the document unless otherwise specified in the credit need not be signed?

- a) Invoice.
- b) Bill of exchange.
- c) Weight note.
- d) Bill of lading.
- e) Airway bill.

Q2. Your documentation department prepared full set of documents under a LC and the following discrepancies were observed : 15

- a. LC expired on 30th Sept 2010(Sunday). Banks were closed due to Puja holidays from 1st Oct 2010 to 6th Oct 2010 . 7th Oct 10(Sunday) and on 8th Oct due to strike banks were not working. Docs submitted on 9th Oct 2010. Bank refused to accept.
- b. LC calls for 'Shirts'. Whereas invoice states 'Garments'.
- c. LC required inspection certificate. Inspection certificate is signed by the exporter himself.
- d. LC is issued on 15th Sept 2010 whereas BL is dated 10th Sept 2010.
- e. Invoices drawn shows goods supplied are of 105% of the quantity as mentioned in the LC .

Comment with detailed reasons validity/invalidity of these discrepancies with reference to UCP 600.

Q3. Analyse the documentation framework in international business and discuss the specific documents. 14

- (a) related to shipment and
- (b) as prescribed under statutory regulations in India

OR.

Describe documentary requirements and procedure for customs clearance of import cargo.

Q4.. Explain the objectives and main features of the latest Foreign Trade Policy of India and various steps introduced to promote the exports. 12

OR

Discuss Duty Draw Back Scheme with specific reference to its scope , fixation of rates and procedure for getting the claim.

- Q 5. What are the basic principles on which the ECGC works? What are the risks covered by ECGC and what are the risks not covered by it?

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OR

Explain in detail various types of risks generally covered in a Marine Policy and the procedure for making a claim

- Q 6. (a) What are the factors which effects foreign exchange rates?
(b) As a finance manager of an export house, how would you manage the Foreign Exchange fluctuation risk?

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OR

Why writing a sales contract is necessary? Discuss important elements of a sales contract and Authorities involved in its standardization..