

Jagan Institute of Management Studies
End-Term Examination, September, 2016
Trimester IV – PGDM (IB) 2015-17

Export-Import Management & Operations
ET_IB_EIM&O_2109

Time: 3 Hrs.

M. Marks: 70

INSTRUCTIONS: Attempt any FIVE questions including Q1 & Q7 which are compulsory.

- Q 1** a) What should be the value of the import license if the FOB cost of the machine is 12 USD 10000 and import is to be made through sea mode?
b) Your friend in UK wants to send you a gift of watch (which is under restricted list) of a very high value. What step you need to take to avoid penalty by the customs?
c) Your bank has offered you the option to avail Pre-shipment finance in INR at base rate or in foreign currency (USD) at L plus 350 bps. If the base rate of the bank is 9 %, LIBOR is 50 BPS and USD /INR premium is 6 % per annum which option will be better for the exporter.
d) Your license was issued on 01. 11. 14 valid for 12 months. What can be the last date of shipment permitted so that it will still be treated as authorized imports by the Customs? **12**
- Q 2** a) Why export financing is treated as backbone of export promotion? What are the various pre shipment and post shipment financing facilities available to an exporter? **7**
b) Discuss various steps and related RBI rules in case the buyer of an exporter defaults in making payment? **7**
- Q 3** a) Explain various policies that ECGC issues to the exporters and the risks covered. What are the basic principles on which ECGC polices work along with rules for claim filing? **8**
b) Explain the following:
i) Asian Clearing Union.
ii) Financial Guarantees by ECGC
iii) Flow chart between banks, exporter, custom and RBI to show that whatever goods have gone money has come. **6**
- Q 4** a) Specify various types of risks which a trader dealing in international business is exposed to with special reference to FOREX exposure and the hedging options available in the market with their salient features. **9**

- b) Explain the objectives and main features of the latest Foreign Trade Policy of India and various provisions to promote exports. **5**
- Q 5** a) Discuss the following in detail related to import transactions in India.
i) Submission of documentary evidence.
ii) Receipt of Import document.
iii) Supplier credit and Buyer Credit. **9**
- b) M/S IMPORTER & Co. wants to import toys from china. Write a detailed note for them about structure of import policy and as to how they should decide about physical import part? **5**
- Q 6** a) Explain flow process with various stages for clearance of import consignment and role of customs, documents used. **5**
- b) Write short note on the following:
i) Factors effecting FX rates.
ii) Foreign Currency accounts in India.
iii) Duty Draw Back and other incentives for Exports. **9**
- Q 7** Differentiate between the following:
a) Forfaiting and Factoring.
b) FERA and FEMA.
c) High sea sales, consignment Sales and Merchanting Trade
d) Receipt of advance in exports and Payment of Advance in Import. **16**
