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| Name: |  |
| Enrolment No: | |

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES

End Semester Examination, December 2019

Course: Foreign Trade Policy, Procedures and Documentation

Semester: I

Programme: MBA (International Business)

Course Code: INTB 7001

Time: 03 hrs.

Max. Marks: 100

Instructions: This question paper has 3 pages.

SECTION A (30 Marks)

Instructions: All questions in this section are compulsory. Each question carries 2 marks.

| S. No. | QUESTION | Marks | CO |
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| Q 1 | Incoterms FOB, FAS, CFR and CIF are used ONLY for SHIPMENTS BY..... (Air / Sea/ Road / Rail) | (2) | CO1, CO2 |
| Q 2 | What all is wrong in this quotation (INCOTERMS) for export of Iron Ore from India? Buyer is in Australia. "\$ 85/- per barrel CIF (JNPT, Mumbai, India) | (2) | CO1, CO2 |
| Q 3 | PROHIBITED items can be imported provided you have a licence issued by DGFT. True/False | (2) | CO1, CO2 |
| Q 4 | Who pays import duty in DDP terms of contract? (Importer/Exporter/Importer's Govt/DGFT) | (2) | CO1, CO2 |
| Q 5 | Income tax is now a part of GST. (True / False) | (2) | CO1, CO2 |
| Q 6 | Point of delivery in case of incoterm CFR is....(Factory gate/port of shipment /port of destination) | (2) | CO1, CO2 |
| Q 7 | The main registration certificate issued by DGFT to start export-import business is called..... ? | (2) | CO1, CO2 |
| Q 8 | India's FTP is formulated and regulated by ? | (2) | CO1, CO2 |
| Q 9 | Duty Drawback is a Penalty/Incentive, which is applicable at the time of Exports/Imports? | (2) | CO1, CO2 |
| Q 10 | A Documentary Credit is issued by..... Before/After the Contract is signed and Before/After the Shipment is made. | (2) | CO1, CO2 |
| Q 11 | The Customs Duty Rate and customs clearance procedures are decided by (CBDT/DGFT/CBIC) | (2) | CO1, CO2 |
| Q 12 | Incentives against export of Services is covered under which scheme of FTP? | (2) | CO1, CO2 |
| Q 13 | Duty Drawback is a Penalty/Incentive, which is applicable at the time of ...Exports /Imports? | (2) | CO1, CO2 |

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| Q 14 | Which is the main document required to start International Business and who issues it? | (2) | CO1, CO2 |
| Q 15 | What is the full form of RCMC and who issues it? | (2) | CO1, CO2 |
| SECTION B (20 MARKS) | | | |
| Instructions: Attempt any 4 questions. Each question carries 5 marks. | | | |
| Q 1 | The Govt. gives some privileges to "STATUS HOLDER" exporter. Who are these exporters and what is this scheme all about? What are the privileges which a normal exporter does not enjoy when compared to Status Holders? | (5) | CO3 |
| Q 2 | FTP 2015-20 envisages incentives for export of goods and services. One such scheme is SEIS. What is this scheme all about and in what form is the incentive given? | (5) | CO3 |
| Q 3 | What do you understand with 'FORCE MAJEURE CLAUSE' in a contract and how is it connected with Penalty Clause of a contract? | (5) | CO3 |
| Q 4 | Explain the process of finding out whether a product is Prohibited, Restricted or Freely importable. Mention just the STEPS with an example. | (5) | CO3 |
| Q 5 | Differentiate amongst a CONSIGNOR, CONSIGNEE, BUYER, SELLER and NOTIFY PARTY. | (5) | CO3 |
| SECTION-C (30 MARKS) | | | |
| Instructions: Attempt any 2 questions. Each question carries 15 marks. | | | |
| Q 1 | A valid Contract is one of the most important document in any business. What are the essentials of a valid contract without which the contract shall become VOID AB-INITIO ? Explain the sanctity of each. | (15) | CO3, CO4 |
| Q 2 | <p>What do you understand by Customs Duty? How does an increase or decrease regulate the imports of products into India? Who pays this duty to whom and in which currency? What will be the exact import duty to be paid in the following situation:</p> <ul style="list-style-type: none"> • Contract value of 100 mobile phones negotiated with the US exporter US \$ 100,000 CIF (JNPT, Mumbai, India) • Freight (Washington to JNPT) Rs. 25,000 • Insurance Rs. 15,000 • Customs Duty rate applicable to the product 25 % • Prevailing US \$ conversion rate: <ul style="list-style-type: none"> i. Buying Rate 1 US\$ = Rs.71.50 ii. Selling Rate 1 US\$ = Rs.72.25 iii. CBIC Import Rate 1 US\$ = Rs.68.25 iv. CBIC Export Rate 1 US\$ = Rs.66.95 <p>Calculate the customs duty to be paid on the above mentioned imports.</p> | (15) | CO3, CO4 |
| Q 3 | Payments follow a specific mode in international business. What are the different modes of payment in international business? Explain the functioning of each. | (15) | CO3, CO4 |

SECTION-D (20 MARKS)

Instructions:

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| Q | <p>The DGFT formulates India's Foreign Trade Policy and gives various incentives to exporters.</p> <p>Explain IN DETAIL, the following incentive schemes in the new FTP. Cover the following aspects in each scheme:</p> <ul style="list-style-type: none">• A brief background of why the scheme has been launched.• What is the scheme all about?• Who is eligible to avail the incentive?• What are the EO (Export Obligations) to avail the incentives?• In what form is the incentive given?• When and at what stage of business is the incentive actually given? <p>The Incentive Schemes to be explained are as follows:</p> <ul style="list-style-type: none">A) MEISB) EPCGC) Advance AuthorisationD) Duty Drawback (All Industry and Brand Rates) | (20) | CO4 |
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