



UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, December 2021

Course: Customs Clearance Procedure

Programme: BBA (Foreign Trade)

Time: 3 hrs.

Semester: V

Course Code: INTB3004

Max. Marks: 100

SECTION A (20 Marks)

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

S. No.	QUESTION	Marks	CO
Q 1	In Second check method of customs clearance, Examination is done.... (Before/After) appraisal of documents.	(2)	CO1
Q 2	Assessment procedure is done for..... ? (Documents / Goods / Customs Duty / Fraud)	(2)	CO1
Q 3	The document used for calculation of Freight is called..... (Invoice/Softex/LEO/Packing List)	(2)	CO1
Q 4	“ House Bill of Lading” is issued by..... (Airlines/Customs/Buyer/Seller/Freight Forwarder/DGFT).	(2)	CO1
Q 5	The document LEO (Let Export Order) is also known as	(2)	CO1
Q 6	Incase of Exports, which document is issued first, a Bill of Lading or a Shipping Bill?	(2)	CO1
Q 7	Incoterms FOB, FAS, CFR and CIF are used ONLY for SHIPMENTS BY (Air / Sea/ Road / Rail)	(2)	CO1
Q 8	What is the full form of RCMC and who issues this document?	(2)	CO1
Q 9	The main registration certificate issued by DGFT to start export-import business is called..... ?	(2)	CO1
Q 10	The Customs Duty Rate and customs clearance procedures are decided by..... (CBDT/DGFT/CBIC)	(2)	CO1

SECTION B (20 MARKS)

Instructions: Attempt all 4 questions. Each question carries 5 marks.

Q 1	Differentiate between a House Bill of lading and Master Bill of Lading . Who issues these documents and to whom?	(5)	CO2
Q 2	How is a Bill of Export different from a Shipping Bill? Explain.	(5)	CO2
Q 3	Explain the process of finding out whether a product is Prohibited, Restricted or Feely importable. Mention just the STEPS with an example.	(5)	CO2
Q 4	What do you understand by RMS in customs clearance procedure?	(5)	CO2

SECTION-C (30 MARKS)

Instructions: Attempt all 3 questions. Question number 3 has internal choice. Each question is of 10 marks.

Q 1	Status Holders enjoy certain incentives and advantages in international business. What are the advantages and privileges of a Status Holder in case of customs clearance procedures?	(10)	CO4
Q 2	How would you differentiate between “Bill of Entry for Home Consumption” and “Bill of Entry for Warehousing”? Explain customs clearance implications of the latter document.	(10)	CO4
Q 3	<p>Explain the complete process of issuance of a Shipping Bill. What is its importance and purpose?</p> <p align="center">OR</p> <p>A Commercial Invoice, Proforma Invoice and Consular Invoice are 3 different documents serving different purposes in foreign trade. Explain the difference amongst these types of invoices.</p>	(10)	CO4

SECTION-D (30 MARKS)

Instructions: Attempt both the questions. Question number 2 has internal choice. Each question is 15 marks.

Q 1	<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 \$ 85,000 FOB (Washington DC) • Freight (Washington to JNPT) Rs. 20,000 • Insurance Rs. 10,000 • Customs Duty rate applicable to the product 20 % • Prevailing US \$ conversion rate: <ul style="list-style-type: none"> i. Buying Rate 1 US\$ = Rs.70.50 ii. Selling Rate 1 US\$ = Rs.73.25 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)	CO5
Q 2	<p>It is a saying that “No work is complete without Paperwork”. Meaning thereby that documentation is one of the most important aspects of Business, especially that of International Business. Explain as to who issues, to whom issued, when issued and list out the many purposes of each of the following documents.</p> <ol style="list-style-type: none"> 1. Shipping Bill 2. Certificate of Origin 3. Commercial Invoice 4. GR/SDF Forms 5. Bill of Entry <p align="center">OR</p>	(15)	CO5

The Govt. has formulated the foreign trade policy to ensure that no unwanted material enters the country and at the same time it ensures that there is no shortage of raw material to support domestic industry.

Indian customs have laid down standard procedures to clear the goods that enter our country through imports. Specific documentation process has to be followed with due diligence for smooth imports.

Explain the complete **PROCEDURE OF IMPORTS OF GOODS** into India as laid down in chapter 3 of the customs manual, CBIC.