

**PGDM (IB), 2020-22
INTERNATIONAL TRADE OPERATIONS**

IB-205

Trimester – II, END-TERM EXAMINATION, January 2021

Time: 2 Hrs 30 Min

Max Marks: 50

Roll No. -----

Instructions: Students are required to write Roll No on every page of the question paper, writing anything except the Roll No will be treated as **Unfair Means**. In case of rough work please use answer sheet.

SECTION A

Note: Attempt All Questions

1. A. You have received an inquiry for import of 5,000 MT of rice from a buyer in London. What back ground work will you do before accepting the export order. What terms and conditions would you like to include in the contract? How will you safeguard yourself in case of dispute? **(CILO 1)**

OR

B. How does risk and cost changes for the exporter along with every Incoterm for water mode of transport? How does Incoterm help in price negotiation with buyer? Discuss the major changes done in Incoterm -2020 **(CILO 1)**

2. A. Why is Letter of Credit considered to be a safe mode of payment as against documentary credit? Discuss in detail the process followed if method of payment is Letter of Credit. Explain following types of L/C
- a. Back to Back L/C
 - b. Revolving L/C
 - c. Green Clause L/C **(CILO 2)**

OR

B. You wish to export agri-products from ICD Tuglaqabad, through JNPT, Mumbai to Singapore. Discuss the entire procedure in detail starting from packaging of goods, process at ICD and process at sea port **(CILO 2)**

3. A consignment going from New Delhi to Dhaka (Bangladesh) on a lorry met with an accident near Kharagpur. The consignment consisted of bedsheets was partly damaged by the fire ensuing from the accident. Nearby villagers sprinkled water to contain the fire. The bedsheets worth Rs. 60,000/- was partly damaged by fire and partly by the water used to contain it. The surveyor assessed the loss as under
1. Loss by fire - Rs. 10,000/-
 2. Loss by water- Rs 17,000/-

The owner of the consignment took a ICC B policy. Will the above losses be paid by the insurance company? Critically examine the various perils covered by this policy in the light of the above case. **(CILO 3)**

OR

B. Discuss in detail the role played by ECGC in exports? Explain with the help of suitable examples what are the responsibilities and precautions that exporter should take so that he/she is able to take full benefits of services offered by ECGC. **(CILO 3)**

10X3 = 30 Marks

Section B

Note: Case Study (1 and 2) is Compulsory

Case Study 1

An importer in Singapore asks for a quotation for 5000 kg of almonds. You are an exporter in India. You have to take a decision on the amount to be quoted. Assume that the unit price is \$10 per kg, the total price for 5000 kg almonds would be \$ 50,000 for the goods alone.

If you quote	Price (\$)
EXW	51,000
FCA	51,300
FAS	52,150
FOB	52,325
CFR	53,550
CIF	53,950
DPU	54, 275
DDP	57, 275

Questions

1. How much does the exporter have to pay as sea freight charges from India to Singapore? Give Reasons
2. How much is the marine insurance? Give Reasons
3. What would be the landing charges in Singapore? Give Reasons
4. What kind of quotation would you prefer as an exporter? Give Reasons

10 Marks

Case Study II

“The cost of logistics, for India is around 14 percent of GDP, whereas in many developed nations it is just about 8-10 percent. By streamlining transport, storage and handling operations, by reducing inventories (and the corresponding financial and storage costs) and by making the most cost-efficient use of available assets, logistics reduces the overall cost of the delivered goods while increasing their time and space utilities (right time, right place).”

In light of above statement discuss the role that CONCOR plays in International Trade. What steps according to you should be taken by CONCOR to reduce the overall cost of logistics. Do you think that privatization of CONCOR which is on cards is the right decision of the Government? Give reasons

10 Marks