

**PGDM (IB) 2018-20 Batch**  
**INTERNATIONAL TRADE OPERATIONS**

**Sub. Code IB-204**

Trimester – II, END-TERM EXAMINATION, December 2018

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 any three Questions**

1. What are the most common causes of dispute in international trade? Discuss in brief the most common methods of dispute settlement.
2. Discuss the importance of Bill of Lading in International Trade. Explain the following type of B/L
  - a. Claused B/L
  - b. Switch B/L
  - c. Groupage B/L
3. Briefly explain different types of Bill of Entry and the procedure for custom clearance for import in India.
4. Enumerate the types of risks to which export businesses are exposed. Discuss the role of ECGC in insuring against these risks, also making clear mention of the risks not covered by ECGC.
5. ICC-C is a basic cover in marine insurance and ICC-B is an improved/better cover. What additional perils/risks are covered by ICC-B as against ICC-C in marine insurance?

**3X5=15 Marks**

**SECTION B**

**Note: Attempt any two Questions**

1. 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

2. Discuss the importance of INCOTERMS in deciding price for a product. How is INCOTERMS – 2010 different from INCOTERMS-2000? Explain INCOTERMS for water mode of transport.
3. You wish to export leather garments 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

2X10=20 Marks

### Section C

**Note: Case Study (1 and 2) is Compulsory**

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
DAT	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 2

A Chinese case has illustrated the problems that may arise in this kind of situation, if the goods are delivered against only one bill of lading. In this case, the carrier issued three bills of lading to the shipper. During the course of the voyage, the carrier was instructed by the shipper to change the port of discharge. In this new port, the carrier delivered the goods to the shipper against only one original of the bill of lading. After obtaining the goods, the seller disappeared. Then, the consignee, who was in possession of two remaining original bills of lading, brought a suit against the carrier.

**In your opinion is the consignee eligible to get compensation? If yes, who in your opinion (carrier/shipper) should pay the compensation.**

**5 Marks**