


Name:	
Enrolment No:	

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES

End Semester Examination, May 2019

Course: Trade Procedures and Documentation

Semester: II

Programme: MBA (Energy Trading)

Course Code: INTB 7004

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.		Marks	CO
Q 1	Freight charges are borne by..... in case of FOB contract. (Issuing Bank/Confirming Bank/Buyer/ Seller/CHA/Govt.)	(2)	CO1, CO2
Q 2	A "claused bill of lading" means.....?	(2)	CO1, CO2
Q 3	The Customs Duty Rate and customs clearance procedures are decided by (CBDT/DGFT/CBIC)	(2)	CO1, CO2
Q 4	What all is wrong in this quotation (INCOTERMS) for export of Iron Ore from India? Buyer is in Australia. "Rs. 55/- per barrel CIF (JNPT, Mumbai, India)"	(2)	CO1, CO2
Q 5	The document used for calculation of Freight is called..... (Invoice/Softex/LEO/Packing List).	(2)	CO1, CO2
Q 6	An L/C is issued by a bank at the time of/after..... (Shipment of goods/signing contract/receiving payment).	(2)	CO1, CO2
Q 7	HAWB is issued by..... (Airlines/Customs/Buyer/Seller/Freight Forwarder/DGFT).	(2)	CO1, CO2
Q 8	The document LEO (Let Export Order) is also known as	(2)	CO1, CO2
Q 9	Incase of Exports, which document is issued first, a Bill of Lading or a Bill of Entry?	(2)	CO1, CO2
Q 10	Restricted items can be imported provided you have a licence issued by (DGFT/CBEC/EPC/Not applicable)	(2)	CO1, CO2
Q 11	Who pays import duty in CIF terms of contract? (Importer/Exporter)	(2)	CO1, CO2
Q 12	Duty Drawback is a levied on/given to an Exporter at the time of export. (Penalty/Incentive).	(2)	CO1, CO2

Q 13	The document used for calculation of Customs Duty is usually (Invoice/Softex/LEO/Packing List).	(2)	CO1, CO2
Q 14	A..... contains the clause "Validity of Offer". (Contract/ LOI / Quotation/ Invoice/ Packing List).	(2)	CO1, CO2
Q 15	An IEC, a number forming the identity of an exporter/importer, is issued by.....?	(2)	CO1, CO2

SECTION B (20 MARKS)

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

Q 1	When the US Dollar becomes stronger in terms of INR, some people are very happy while some are doomed. Who are the ones happy and who are those unhappy? Explain with an example.	(5)	CO3
Q 2	How is a Contract different from a Quotation? Explain atleast 5 points of differentiation.	(5)	CO3
Q 3	Differentiate amongst a CONSIGNOR, CONSIGNEE, BUYER, SELLER and NOTIFY PARTY.	(5)	CO3
Q 4	What do you understand with 'FORCE MAJEURE' in a contract and how is it connected with Penalty Clause of a contract?	(5)	CO3
Q 5	Explain the process of finding out whether a product is Prohibited, Restricted or Freely importable. Mention just the STEPS with an example.	(5)	CO3

SECTION-C (30 MARKS)

Instructions: Attempt any 2 questions. Each question carries 15 marks.

Q 1	There are various methods of payment in settling International business transactions. Letter of Credit (L/C) and Documents against Payment (D/P) are two widely used methods. Explain the process of an L/C in detail. How is the payment to Exporter and goods to Importer ensured through an L/C? If documents are exchanged for payment in both the methods, then how are they different from each other?	(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> <p>a. Contract value of 100 mobile phones negotiated with the US exporter US \$ 150,000</p> <p>b. Customs Duty rate applicable to the product 20 %</p> <p>c. Prevailing US \$ conversion rate:</p> <p> i. Buying Rate 1 US\$ = Rs.70.50</p> <p> ii. Selling Rate 1 US\$ = Rs.73.25</p> <p>Calculate the customs duty to be paid on the above mentioned imports.</p>	(15)	CO3, CO4
Q 3	<p>Use of proper “Incoterms” at the time of giving a quotation by the seller, minimizes the risk of commercial disputes between the buyer and seller. What are these terms and how do they assign risks and costs between the buyer and seller? Explain at least 5 incoterms and their interpretation, clearly mentioning the point of delivery in each case.</p>	(15)	CO3, CO4
<p>SECTION-D (20 MARKS)</p>			
<p>Instructions:</p>			
Q	<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.</p> <p>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. Bill of Lading 2. Shipping Bill 3. Bill of Entry 4. Commercial Invoice 5. Certificate of Origin 	(20)	CO4