**Jaipuria Institute of Management Indore**

**PGDM (2019-21), Term VI, End Term Examination**

**Basics of Exports and Imports, ECO601**

**May 2021**

**Max. Marks: 40 Time: 2 Hours**

**All questions are compulsory**

**Q:1**

1. An export / import business unlike a domestic business has more risks associated with it. Do you agree/disagree? Give justifications quoting different types of risks involved in an export/ import business.
2. ECGC does not cover the risk which could be covered by others. What do you mean by this?

Elaborate, how ECGC helps exporters and other parties involved.

1. Discuss the complete mechanism of Letter of Credit and share how and in which circumstances it is considered as a better mode of payment over other modes? Also discuss the situations in which one can avoid use of L/C.
2. Explain with the help of an example when an exporter would like to enter into a forward contract? And how will it help?

**[8 + 4 + 6 + 2 = 20 Marks]**

**Q:2**

Differentiate between commercial and regulatory documents and explain any 4 of each.

**OR**

What is the importance of Principal and Auxiliary documents in export process? Explain any 4 documents from each.

**[10 Marks]**

**Q:3**

Mr. Poonawala has exported Covid-19 vaccines to South Africa. However, the importer has requested him for a credit period of 60 days. What should Poonawala do in such circumstances. Can he resort for any financial assistance? If yes, explain in detail.

**OR**

Mr. Poonawala has received an export order for Covid-19 vaccines. For this Mr. Poonawala has to import some important raw material from USA. What kind of financial assistance he can resort to? Explain in detail.

**[5 Marks]**

**Q: 4**

Comment what kind of benefits or incentives does an exporter receive from GOI? Explain using one of the export promotion schemes.

**OR**

Deemed exporters also get recognition and incentives from GOI? Comment.

**[5 Marks]**

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