**Jaipuria Institute of Management Indore**

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

**International Trade Operations and Documentation, 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? Justify quoting different types of risks involved in an export/ import business.
2. “ECGC grants a wide range of risk coverage including cargo insurance. In case a buyer or importer fails to receive payments, ECGC will immediately pay to the exporter”. Critically review this statement while elaborating the contribution of ECGC in export development.
3. “Letter of Credit is the most sought after payment mode in international trade”. Examine this statement in the light of available payment modes in an export business. Also, outline the mechanism of L/C using a flow diagram.
4. Is it always advisable to enter into a forward contract to secure export realization? Comment using an example.

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

**Q:2**

“Commercial and regulatory: both the categories of documents are very necessary and of high importance to buyers.” Examine this statement while briefly quoting 4 examples from each category.

**OR**

“Principal and auxiliary: both the categories of documents are very necessary and of high importance to buyers.” Examine this statement while briefly quoting 4 examples from each category.

 **[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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