

SVKM's NMIMS
NMIMS – GLOBAL ACCESS SCHOOL FOR CONTINUING EDUCATION

Programme: DITM/PGDITM

Examination: April 2018
Subject: Export Import Procedures & Documentation

Semester: II
Course : New
Marks : 70
Time: 11.00 a.m. to 2.00 p.m.

Instructions:

1. Answer to each new question to be started on a fresh page.
2. Figures in bracket indicate full marks.

Q.1) Attempt any 2 out of 4

(Marks: 2X5=10)

- a) Reasons for Exporting
- b) Objectives of Exchange Control
- c) How to Get IEC Code
- d) Difference between EPZ's and SEZ's

Q.2) Write Short Notes on any 2 out of 5

(Marks: 2X5=10)

- a) Functions of Indian Trade Promotion Organisation
- b) Duties of exporter & importer under FOB Contract
- c) Any five basic advantages of arbitration
- d) Documents required under letter of credit
- e) Nature of export cargo

Q.3) Attempt any 3 out of 5

(Marks: 3X10=30)

- a) Explain Chartering Practices
- b) Explain various types of policies
- c) Explain three systems for quality control and inspection
- d) Explain the legal dimensions of import procedures
- e) Explain different Kinds of Letters of Credit

Q.4) Attempt both the questions

(Marks: 2X10=20)

Mr Vijay Kelkar has been a successful General Manager with Alpha Tyres Pvt. Ltd, Mumbai. Under Mr Kelkar's visionary leadership, within 10 years of its inception (since 1997), the company was ranked fifth among the tyre companies in India in terms of market share in the domestic territory. Through international market research, Mr Kelkar obtained an import purchase order from Ace Motors in Thailand. Although Alpha Tyres had obtained IEC Number from the DGFT office, the executives of the company was not well versed in export procedures and documentation. Ace Motors had called for certain documents from the exporter, while sending the purchase order. These included one original and three copies of the invoice, an original GSP Certificate of Origin issued by a competent authority, the Sight Bill of Exchange, and an inspection certificate. Mr Kelkar received the confirmed purchase order on 15 May, and the latest date of shipment was 30 May. Mr Kelkar and his team had to ship the goods (tyres) within 15 days of getting the contract. The team managed to arrange and send the goods, along with the inspection certificate. The goods were dispatched to the C&F agents after collecting the information on the time schedule and rate charged by shipping lines from Mumbai to Bangkok.

However, none of the team members were aware of the importance of the Certificate of Origin. The C&F agent too did not check whether the importer had called for the Certificate of Origin. The goods were loaded into the ship and the cargo arrived at the importer's port after seven days. Meanwhile, the State Bank of India, the Bankers of Alpha Tyres, sent the export documents to HSBC Bank in Bangkok, as instructed by Alpha Tyres, for collection of the export bill amount of

US Dollars 10,000. Upon scrutiny, the HSBC Bank manager, Mr Lee found that the exporter had not sent the Certificate of Origin along with the other documents and duly informed the Vice-President, Imports about this. Subsequently, payment to Alpha Tyres was withheld. As it happened, Ace Motors had specifically called for the GSP Certificate of Origin with the intention that they would have been in a position to import at nominal customs duty rates from Alpha Tyres, had the exporter sent the document. (As per India's bilateral free trade-preferential trading-agreement with Thailand, companies in Thailand can import from India at preferential duty rates on most commodities.)

Questions

1. What would you suggest to Ace Motors in this case?
2. Do you think that Mr Kelkar can force Ace Motors to make a payment without delay?
