



Name:

Enrolment No:

UPES

End Semester Examination, December 2024

Course: Foreign Trade and Policies

Program: BBA Foreign Trade

Course Code: INTB2021

Semester: III

Time: 03 hrs.

Max. Marks: 100

Instructions:

SECTION A
10Qx2M=20Marks

S. No.		Marks	CO
Q 1	Choose the correct option in the following questions.	20	CO1
(i)	Which of the following is true about the structure of HS codes? (A) a 4-digit system used only within a country (B) HS codes are randomly assigned to products with no international standards (C) Typically consist of 6 digits, where the first 2 digits represent the chapter, and the next 2 digits signify section (D) HS codes are used only for agricultural products	2	
(ii)	Which trade document is primarily used as proof that goods have been loaded onto a vessel and serves as a receipt from the carrier to the exporter? (A) Commercial Invoice (B) Bill of Lading (C) Packing List (D) Certificate of Origin	2	
(iii)	Which of the following is a primary objective of India's Foreign Trade Policy 2023? (A) To restrict imports from neighbouring countries (B) To achieve \$1 trillion in goods exports by 2030 (C) To eliminate all export incentives by 2025 (D) To reduce India's dependence on foreign investment	2	
(iv)	Which of the following best describes a bilateral trade agreement? (A) An agreement between a country and an international organization to regulate trade policies (B) A trade agreement between two countries aimed at reducing tariffs and trade barriers (C) A regional trade agreement involving multiple countries within a geographic area	2	

	(D) A set of trade rules established by the World Trade Organization 2(WTO)		
(v)	Which document specifies the details of the goods being shipped, such as weight, dimensions, and packaging, and is often required by customs for verification? (A) Insurance Certificate (B) Commercial Invoice (C) Packing List (D) Letter of Credit	2	
(vi)	In an FOB (Free on Board) shipping agreement, who is responsible for the cost and risk of transporting goods to the ship and loading them onto the vessel? (A) The buyer bears all costs and risks until goods are loaded onto the vessel (B) The seller bears all costs and risks until goods are loaded onto the vessel (C) Both buyer and seller share costs and risks equally until the goods reach the buyer's warehouse (D) The shipping company bears all costs and risks	2	
(vii)	According to the theory of comparative advantage, a country should: (A) Produce goods that require the most resources (B) Only import goods and not export any (C) Specialize in producing goods where it has a lower opportunity cost (D) Focus on producing goods with the highest profit margin	2	
(viii)	What is the primary purpose of a Certificate of Origin in international trade? (A) To certify that goods are insured during transit (B) To verify the value of the goods being shipped (C) To confirm the country in which the goods were manufactured or produced (D) To ensure the goods meet the import regulations of the destination country	2	
(ix)	According to the Heckscher-Ohlin theory of international trade, a country will export goods that: (A) Require more labor and less capital (B) Are produced using its abundant factor of production (C). Are produced using the least costly inputs (D) Have the highest demand in international markets	2	
(x)	A country is said to have a trade surplus when:	2	

	(A) Its exports are equal to its imports (B) Its imports exceed its exports (C) Its exports exceed its imports (D) Its current account is in deficit		
SECTION B 4Qx5M= 20 Marks			
Q 2	What are the broad differences between domestic trade and international trade.	5	CO2
Q 3	Describe the broad differences between Absolute Advantage Theory and Comparative Advantage Theory of international trade.	5	
Q 4	Describe the important additions (schemes/incentives) in the latest Foreign Trade Policy 2023 from the erstwhile FTP.	5	
Q 5	What is the importance of furnishing the right HS code in international trade.	5	
SECTION-C 3Qx10M=30 Marks			
Q 6	Discuss and compare commercial invoice, packing list, bill of lading and certificate of origin trade documents required for exporting/importing.	10	CO3
Q 7	Discuss and compare any two bilateral/multilateral trade agreements India is signatory to.	10	
Q 8	Discuss the role of Ministry of Commerce and Industry/Directorate General of Foreign Trade (DGFT) in international trade.	10	
SECTION-D 2Qx15M= 30 Marks			
Q 9	<p>You are the export manager of a small manufacturing company that specializes in producing eco-friendly kitchen utensils. The company is planning to expand its market overseas and has received an order from a buyer in Germany. To initiate the shipment process, it is crucial to correctly classify the product under the Harmonized System (HS) code, which will be used for customs documentation and tariff calculations.</p> <p>(i) Discuss the various tools and websites that you could use to identify the correct HS code for the product.</p> <p>(ii) Explain why accurately selecting the HS code is important in this context, focusing on aspects such as tariff implications, compliance with international trade regulations and ease of customs clearance.</p> <p>(iii) Discuss the potential risks of incorrect HS code selection and how it could impact your company financially and legally in the global market.</p>	15	CO4
Q 10	Evaluate the reasons why FERA, 1973 was replaced by FEMA, 1999 and compare the two acts.	15	