


Name:	
Enrolment No:	

UPES
End Semester Examination, May 2025

Programme Name : BBA-FT	Semester : IV
Course Name : Trade Documentation & Custom Clearance	Time : 03 hrs
Course Code : INTB2022	Max. Marks: 100
No. of page(s) : 03	

SECTION A
10Qx2M=20Marks

S. No.		Marks	CO
Q 1	Mention statement True or False <ol style="list-style-type: none"> Multilateral FTAs involve agreements between three or more countries, making them easier to negotiate than bilateral FTAs. A common market allows the free movement of goods, services, capital, and labor among member countries. India's Comprehensive Economic Partnership Agreement (CEPA) with Japan is an example of a multilateral FTA. FTAs can lead to increased trade deficits if domestic industries are unable to compete effectively. Bill discounting helps businesses improve cash flow by selling invoices to financial institutions at a discount. A fixed forward exchange rate provides certainty for businesses planning international transactions. Customs authorities in India use the exchange rate on the date of import to calculate customs duties. The Regional Comprehensive Economic Partnership (RCEP) is a bilateral agreement between India and Japan. Underutilization of FTAs by Indian exporters is primarily due to a lack of awareness and outreach. A "Let Export Order" is issued by customs officials after completing all export formalities. 	20	CO1

SECTION B
4Qx5M= 20 Marks

Q 2	Analyze the implications of incorrect classification under the HS Code on trade and customs clearance.	5	CO2
Q 3	Evaluate the advantages and potential risks of using the Advance Authorization Scheme for importers in India.	5	CO2
Q 4	How does the role of customs brokers impact the efficiency and compliance of international trade operations?	5	CO2

Q 5	Compare and contrast the effectiveness of the First Appraisal and Second Appraisal processes in customs clearance.	5	CO2
SECTION-C 3Qx10M=30 Marks			
Q 6	Evaluate the impact of digitizing export documentation on reducing errors and improving efficiency. What potential challenges could businesses face during this transition?	10	CO3
Q 7	If a small business is planning to export for the first time, how can it balance the need for compliance with export regulations and the desire to minimize costs?	10	CO2
Q 8	<p>Considering the challenges of foreign trade, such as logistical bottlenecks and supply chain disruptions, how can companies leverage technology to build resilience in their export operations?</p> <p>OR</p> <p>Considering the global trend towards regional economic integration, how might future FTAs redefine global trade dynamics?</p>	10	CO4
SECTION-D 2Qx15M= 30 Marks			
Case: The Handicraft Exporter's First Foray into International Trade			
Introduction: <p>XYZ Handicrafts, a small business based in Jodhpur, India, specializes in handcrafted wooden toys and home décor items. They have received their first international order from a fair trade retailer in Germany. The order includes a variety of intricately carved wooden toys, decorative boxes, and picture frames. XYZ Handicrafts has never exported goods before and is unfamiliar with the procedures and documentation involved.</p>			
Background: <p>XYZ Handicrafts is a women-led cooperative that provides sustainable livelihoods to local artisans. They use traditional techniques and eco-friendly materials, which aligns with the growing consumer demand for ethical and sustainable products. The German retailer is keen to stock their items due to their unique designs and commitment to fair trade practices.</p>			
The Problem/Challenge: <p>XYZ Handicrafts needs to navigate the complexities of exporting their goods to Germany, including:</p> <ul style="list-style-type: none"> • Determining the correct HS Codes for their products • Understanding German import regulations • Ensuring compliance with customs documentation requirements • Choosing an appropriate Incoterm (International Commercial Term) • Arranging for marine insurance. 			

Alternatives:

1. **Handle the export process themselves:** This would involve extensive research and understanding of international trade regulations.
2. **Engage an export management company (EMC):** An EMC could provide expertise and guidance throughout the process, but may reduce control and profits.
3. **Utilize the services of the Export Marketing Organizations:** They offer support, resources, and assistance to navigate the complexities of international trade.

Decision and Implementation:

XYZ Handicrafts decides to engage an EMC to ensure compliance and minimize potential delays, while also utilizing the services of the Export Marketing Organizations for additional support and resources. The EMC advises them on the correct HS Codes, assists with documentation (including the commercial invoice and bill of lading), and guides them on choosing the most suitable Incoterm (CIF) for their shipment. They also arrange for marine insurance to cover the shipment during transit.

Outcome and Conclusion:

With the assistance of the EMC, XYZ Handicrafts successfully exports their goods to Germany. The shipment arrives on time and clears customs without any issues. The German retailer is satisfied with the quality and timely delivery of the products, leading to the potential for future orders and a long-term business relationship. XYZ Handicrafts gains confidence in exporting and explores new international markets.

ANSWER BELOW QUESTIONS

Q 9	What are the key challenges faced by XYZ Handicrafts in exporting their goods for the first time? OR Why is it important for XYZ Handicrafts to classify their products with the correct HS Codes?	15	CO4
Q 10	What are the potential benefits and drawbacks of using an EMC in this scenario? OR What are some of the factors XYZ Handicrafts should consider when choosing between CIF and FOB Incoterms for future shipments?	15	CO4