

<b>Name:</b>	
<b>Enrolment No:</b>	

**UNIVERSITY OF PETROLEUM AND ENERGY STUDIES**  
**End Semester Examination, December 2019**

<b>Course:</b> Customs Clearance Procedure	<b>Semester:</b> V
<b>Programme:</b> BBA (Foreign Trade)	<b>Course Code:</b> INTB3004
<b>Time:</b> 3 hrs.	<b>Max. Marks:</b> 100
<b>Instructions:</b> This question paper has 3 pages.	

**SECTION A (30 Marks)**

**Instructions:** All questions in this section are compulsory. Each question carries 2 marks.

S. No.	QUESTION	Marks	CO
Q 1	A Bill of Export is issued by.....?	(2)	CO1, CO2
Q 2	The document used for calculation of Freight is called..... (Invoice/Softex/LEO/Packing List).	(2)	CO1, CO2
Q 3	HAWB is issued by..... (Airlines/Customs/Buyer/Seller/Freight Forwarder/DGFT).	(2)	CO1, CO2
Q 4	Assessment department of customs calculates the Customs duty applicable. (T/F)	(2)	CO1, CO2
Q 5	The document LEO (Let Export Order) is also known as .....	(2)	CO1, CO2
Q 6	Examination of every shipment is mandatory. (T/F)	(2)	CO1, CO2
Q 7	Who pays import duty in DDP terms of contract? (Importer/Exporter)	(2)	CO1, CO2
Q 8	An EPCG Licence is issued by DGFT for duty free import of ..... goods.	(2)	CO1, CO2
Q 9	Incase of Exports, which document is issued first, a Bill of Lading or a Shipping Bill?	(2)	CO1, CO2
Q 10	Which is the main document required to start International Business and who issues it?	(2)	CO1, CO2
Q 11	What is the full form of LEO and who issues it?	(2)	CO1, CO2
Q 12	The document used for calculation of Customs Duty is .....(Invoice/Softex/LEO/Packing List).	(2)	CO1, CO2
Q 13	Bill of Export is the same as Shipping Bill. Comment briefly.	(2)	CO1, CO2
Q 14	Duty-Credit Scrips are given on the basis of..... (FOB value of Exports/CIF value of Imports/ Customs- Duty Excise duty paid/total turnover of company in last 3 years)	(2)	CO1, CO2

Q 15	EPCG license is used for waiver of..... (Excise/Customs duty/Vat/Service tax) on..... (Import/Export) of..... (Raw material/Capital Goods/Finished Products/Readymade Garments)	(2)	CO1, CO2
<b>SECTION B (20 MARKS)</b>			
<b>Instructions: Attempt any 4 questions. Each question carries 5 marks.</b>			
Q 1	Status Holders enjoy certain incentives and advantages in international business. What are the advantages and privileges of a Status Holder in case of customs clearance procedures?	(5)	CO3
Q 2	What is the process of claiming MEIS incentive? How do we find out the percentage of incentive on export of a product?	(5)	CO3
Q 3	How is a Bill of Entry different from Bill of Lading and Bill of Export?		CO3
Q 4	Differentiate amongst a CONSIGNOR, CONSIGNEE, BUYER, SELLER and NOTIFY PARTY.	(5)	CO3
Q 5	An importer can submit an LUT instead of BG to get an Advance Authorisation (Licence). Explain the importance and usage of these 2 documents.	(5)	CO3
<b>SECTION-C (30 MARKS)</b>			
<b>Instructions: Attempt any 2 questions. Each question carries 15 marks.</b>			
Q 1	What is a Bill of Lading? What is its importance in the clearance of Import cargo? Explain.	(15)	CO3, CO4
Q 2	<p>What do you understand by Customs Duty? How does an increase or decrease regulate the imports of products into India? Who pays this duty to whom and in which currency? What will be the exact import duty to be paid in the following situation:</p> <ul style="list-style-type: none"> <li>• Contract value of 100 mobile phones negotiated with the US exporter <b>US \$ 85,000 FOB (Washington DC)</b></li> <li>• Freight (Washington to JNPT) <span style="float: right;"><b>Rs. 20,000</b></span></li> <li>• Insurance <span style="float: right;"><b>Rs. 10,000</b></span></li> <li>• Customs Duty rate applicable to the product <span style="float: right;"><b>20 %</b></span></li> <li>• Prevailing US \$ conversion rate: <ul style="list-style-type: none"> <li>i. Buying Rate <b>1 US\$ = Rs.70.50</b></li> <li>ii. Selling Rate <b>1 US\$ = Rs.73.25</b></li> <li>iii. CBIC Import Rate <b>1 US\$ = Rs.68.25</b></li> <li>iv. CBIC Export Rate <b>1 US\$ = Rs.66.95</b></li> </ul> </li> </ul> <p><b>Calculate the customs duty to be paid on the above mentioned imports.</b></p>	(15)	CO3, CO4
Q 3	What do you understand by Risk Management system (RMS) in customs clearance? Explain the whole procedure.	(15)	CO3, CO4
<b>SECTION-D (20 MARKS)</b>			
<b>Instructions:</b>			

Q	<p>It is a saying that “No work is complete without Paperwork”. Meaning thereby that documentation is one of the most important aspects of Business, especially that of International Business. Explain as to <b>who issues, to whom issued, when issued</b> and list out <b>the many purposes</b> of each of the following documents.</p> <ol style="list-style-type: none"><li>1. Shipping Bill</li><li>2. Airway Bill</li><li>3. GR/SDF Forms</li><li>4. Proforma Invoice</li><li>5. House Bill of Lading</li><li>6. Certificate of Origin</li></ol>	(20)	CO4
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