

CHAPTER-10**Very Short Answer Questions,**

1. Name any two benefits of international trade to the nation.
2. Enumerate any two benefits of international trade to the firms.
3. Name any two authorities who can issue an export licence in India.
4. Give the full form of IEC and DGFT.
5. What does ECGC and EEPC stand for in the context of export trade?
6. What is RCMC in context of export procedure?
7. Name the Act relating to the pre shipment inspection.
8. Who is authorised to issue a pre inspection certificate?
9. Who is authorised to issue a certificate of origin?
10. Name the document which is issued by the shipping company as an instruction to the captain of the ship that the specified goods after their customs clearance at a designated port be received on board.
11. Name the document which is prepared by the exporter to get the custom clearance before the goods are loaded on the ship.
12. Name the document issued by the commanding officer of the ship, when the cargo is loaded on board.
13. Who issues the mate's receipt and to whom?
14. Who issues a bill of lading?
15. Name the two types of bill of exchange.
16. Name the document which is prepared by the imported for assessment of customs import duty.
17. What is international trade?
18. What is domestic business?
19. What is export trade?
20. What is import Trade?
21. How does international trade leads to more efficient use of resource?
22. How does international trade has to increase standard living?
23. How does international trade help to improve business vision?
24. What is an indent?
25. Why is it considered advisable for a exporter to be registered with Export Credit Guarantee Corporation?
26. What is pre shipment Finance?
27. What does Central Excise Tariff Act relates to?
28. To whom does the exporter need to apply for excise clearance?
29. Why has the Government of India made inspection of certain products compulsory?
30. What is duty drawback?
31. What is a shipping order?
32. What is a shipping bill?
33. What is a carting order?
34. What is a bill of lading?
35. When is an exported asked to issue a letter of indemnity and by whom?

36. What is a bill of exchange?
37. What is an airway bill?
38. What is a documentary bill of exchange?
39. Explain the term 'retirement of import documents'.
40. What is an 'Import general manifest'?

Short Answer Questions

1. How is international business different from international trade?
2. State the benefits of international trade to the nation.
3. State the benefits of international trade to the business firm.
4. Outline the objectives of export trade.
5. What are the objectives of import trade?
6. What is the difference between proforma invoice and invoice? Explain with the help of a suitable example.
7. Write a short note on 'letter of credit'.
8. What is a certificate of origin? Why is it considered important in international trade?
9. Outline the process involved in obtaining an export licence.
10. Briefly outline the process involved in getting the custom clearance.
11. Describe briefly any four documents used in import procedure.
12. Explain briefly any four documents used in export procedure.
13. Give the difference between Sight draft and Usance draft.
14. How is a bill of lading different from an airway bill?
15. Discuss in brief the procedure followed by the importer in getting the custom clearance and release of goods.
16. Distinguish between bill of entry and bill of lading.
17. How is a shipping bill different from a bill of entry?
18. What is the difference between shipping bill and bill of lading?
19. State the meaning of World Trade Organization. Discuss the objectives of World Trade Organization in promoting international trade.

Long Answer Questions

1. Distinguish between internal trade and external trade
2. Explain the important steps involved in executing export trade.
3. Discuss the important steps involved in executing import trade.

Case Study Based Questions

1. Nikhil deals in different types of gems and stone jewellery. Over the years, his business has gained good reputation. When his son, Sushil joined him in the business, he expressed his desire to expand their business beyond the boundaries of the home country. He also shared with his father, that this approach will increase the prospects of both higher profit and growth of their business.
 - (a) Identify the concept which will help Sushil to expand his family business beyond the boundaries of the home country
 - (b) Name the two benefits of this concept to their business firm that have been mentioned in the paragraph.

- (c) Also, explain any two of its other benefits which have not been mentioned in the given paragraph.
2. Ayush is desirous of expanding his business into foreign territory. He has ahead] procured an export order and advised the importer to open a letter of credit in his favour. He has now obtained an export licence and started with the manufacturing of the goods to be exported. His friend, Ayushi has told him that there are four more steps that he needs to perform before reserving a space in the ship for transportation of the goods to the importer.
- (a) Enumerate the steps which have already been performed by Ayush.
- (b) Describe briefly the four steps which his friend Ayushi has told him to perform before a preparing a shipping bill.
3. Daksh is planning to import a special packaging machine from Germany for his business Being, ignorant about the procedure, he has hired the services an import agent, ML: Gagan. Mr. Gagan has asked him to first browse through the websites of the exporters who are dealing in desired machinery. Then, he should send a written request to the short listed exporters asking them for the supply of information regarding the price and various terms and conditions on which the latter is ready to exports goods. Mr. Gagan has also informed him, that in response to this request the exporters will forward him a document containing information with respect to the quality, features, design, size, weight and price of the export product along with the terms and conditions on which their export will take place. Moreover, once the order is confirmed, he will have to get registered with the Directorate General Foreign Trade (DGFT) in order to obtain a special code number which is required to be mentioned on most of the import documents. since, the foreign trade may take place in a different currency, Daksh will also have to apply for foreign exchange.
- (a) Identify the two documents being described in the first paragraph of the question.
- (b) What does the special code number mention in the case study refers to?
- (c) To whom does Daksh needs to approach for obtaining foreign exchange?
4. One month back Manoj had placed an import order, with Blaze Limited' for the supply of illumination lights from Japan. He has now received, a set of documents from Blaze Limited informing him about the shipment of the goods. He was also forwarded a bill of exchange along with a set of documents to his bank. Manoj has accepted the bill of exchange and made the payment to the bank in order to get the documents of title.
- (a) Name the various documents being described in the above paragraph.
- (b) Discuss in brief, the remaining steps that need to be performed by Daksh in order to get the goods released from the port on their arrival.
5. In response to an export order, Jai has got the consignment on board and the commanding officer of the ship has issued a document containing the information about the name of the vessel, berth, date of shipment, description of packages, marks and numbers and condition of the cargo at the time of receipt on board the ship.
- (a) Identify the document being described in the given paragraph.
- (b) Explain in brief, the remaining steps that Jai needs to perform in order to complete the export procedure.

6. Kajal and Kiran have been asked to conduct a quiz in their class based on 'Export and Import procedure' by their Business Studies teacher. They had put in a lot of hard work and prepared a list of questions for the quiz. But, they have jumbled some of the answers to these questions in the process of re arranging the questions in a particular order. You are being requested to edit their answers wherever needed.

S.No	Description	Document
1.	The importer confirms his order through this document.	Indent
2.	It's a guarantee from the importer bank that it will honour payment up to a certain amount of export bills to the bank of the exporter.	Railway receipt
3.	It is the finance that the exporter needs for processing the export order.	Pre-shipment finance
4.	This document contains an instruction to the captain of the ship that the specified good after their custom clearance at the designated post be received on board.	Shipping bill
5.	If the goods are transported to the port through railways this document is issued by the railway authorities after loading of goods on the wagon.	Shipping order
6.	Before the goods can be loaded on the ship, the exporter obtains this document in order to get the custom clearance.	Letter of credit