

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA - SEMESTER- III • EXAMINATION – SUMMER 2021

Subject Code: 4539296**Date: 17/08/2021****Subject Name: EXIM Procedures****Time: 02.30 pm to 05.30 pm****Total Marks: 70****Instructions:**

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

Q. No.		Marks
Q.1	Explain the following terms (a) DGFT (b) IEC Number (c) EDI (d) Letter of Credit (e) Bill of Lading (f) Marine Insurance (g) RCMC	14
Q.2	(a) Explain the objectives of MEIS & SEIS.	07
Q.2	(b) Discuss the objective of Foreign Trade (Development and Regulation) Act 1992 and its main provisions.	07
OR		
Q.2	(b) What are Incoterms and why are they extremely important in international transactions between the buyer and seller?	07
Q.3	(a) What are the various methods of payment in export import?	07
Q.3	(b) What are the documents needed in international export and import transaction?	07
OR		
Q.3	(a) Differentiate: Certificate of Origin vs. Consular Invoice	07
Q.3	(b) Differentiate: Commercial Invoice vs. Consular Invoice	07
Q.4	(a) What are the steps involved in export procedure?	07
Q.4	(b) Elaborate Quality Control and Pre-shipment Inspection.	07
OR		
Q.4	(a) How marine insurance is useful in import and export business? Explain Marine Insurance policy.	07
Q.4	(b) Which are the points keep into the mind while doing Import business? Write down the procedure for import business.	07

Q.5 Case Study:

Bermuda Import & Export (BIECO) is a family-owned import business, started in 1949. Graham Fowle, the grandson of the original owner and current company president, gradually expanded company lines, starting with the addition of produce and alcohol. Bermuda Import & Export now has 25 employees and carries produce, seafood, groceries, alcohol, dry and frozen goods, and some dairy and meat. The majority of goods are perishable items. Bermuda is a small market of 21 square miles;

the company sells to all available outlets, including restaurants, hotels, resorts, clubs, grocery and convenience stores. There are no consumer retail sales.

Challenge

In Bermuda, everything is imported – and nothing comes into the island without some type of import fee/cost. BIECO brings in two containers of produce (not including seafood and alcohol) weekly. The containers usually arrive on Sunday night and Monday morning, and produce must be pre-cleared through H.M. Customs – Bermuda (Customs) in time for delivery to restaurants, shops, and hotels early on Monday morning. This requires a deposit to be paid in advance on all pre-cleared items of 1½ times their normal duty rate.

The old system of managing tracking and invoicing of shipments through Customs was time and labor-intensive. It involved a complicated spreadsheet, with manual entry of the details of each individual item. These details included (but were not limited to) vessel information, voyage number, bill of lading, container information, date of arrival, Customs Procedural Codes, tariff numbers, country of origin, purchase order number, wharfage charges (assessed against cargo, vessel's stores, fuel and supplies for passage on, over, under or through any wharf) and vessel details.

David Potts, the company's financial controller, says that the process took at least four hours ("if the person knew what he was doing," he adds, wryly), and was fraught with potential errors. For example, a misplaced decimal point could potentially incur thousands of dollars in extra duty costs prior to being recalculated. Because items have various duty percentages (ranging from five to 22 ¼ percentage), calculations were often rounded up or averaged. If the work was not completed on time, it would delay delivery of containers and cause possible damage to goods.

Finally, getting the Customs deposit (averaging \$750) returned could take up to a month – after all the double-checking of calculations and adjustments for manual entry errors.

- Q.5 (a) According to you, Which are the problems faced by BIECO? 07
(b) How the company can resolve this problem? 07

OR

- Q.5 (a) Is software for the calculation all the duty is feasible for the company though the value of the software is high? 07
(b) If you are the export-import Manager of this company, which are the steps taken by you? 07
