

POLITEKNIK
Jabatan Pengajian Politeknik

EXAMINATION AND EVALUATION DIVISION
DEPARTMENT OF POLYTECHNIC EDUCATION
(MINISTRY OF HIGHER EDUCATION)

COMMERCE DEPARTMENT

FINAL EXAMINATION

DECEMBER 2011 SESSION

PP301: EXPORT AND IMPORT DOCUMENTATION

DATE: 23 APRIL 2012 (MONDAY)
DURATION: 2 HOURS (11.15am - 1.15pm)

This paper consists of **ELEVEN (11)** pages including the front page
Section A: Objective (25 questions – **answer all**)
Section B: Essay (3 questions – **answer all**)

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THE CHIEF INVIGILATOR

(CLO stated at the end of each question is referring to the learning outcome of the topic assessed. The CLO stated is only for lectures' references.)

SECTION A

Instruction: This section consists of **TWENTY FIVE (25)** objective questions. Answer all questions.

1. Import is (CLO 1)
 - A. sending goods out of your country in order to sell them in another country.
 - B. bringing goods into your country from another country in order to sell them.
 - C. receiving and sending quality of goods or services from another country
 - D. trading goods between nation

2. The following are the agencies which provide services on behalf of exporters and importers **EXCEPT** (CLO 1)
 - A. Retainer
 - B. Shipbroker
 - C. Custom broker
 - D. Immigration

3. Which of the following refers to the purchase of goods or services produced by a company based in one country from sellers that reside in a different country? (CLO 1)
 - A. Importing
 - B. Countertrading
 - C. Exporting
 - D. Freight forwarding

4. Which agency would be a consultant in the importing country with a fixed salary paid by the exporters? (CLO 1)
 - A. Del credere
 - B. Concessionaries
 - C. Salaried agent
 - D. Freight forwarder

5. Which of the following statement is NOT TRUE about Ship Broker? (CLO 1)
 - A. Shipbroker earns income and commissions paid from the exporter for each contract entered by the exporter and the ship owner
 - B. Shipbroker will arrange a meeting between the two parties who have similar interests in relation to the shipping vessel owners of exporters.
 - C. Ship broker will try to get any of the exporters who need delivery service for a particular route and then set any shipping company that offers delivery services for the intended route.
 - D. Shipbrokers are intermediaries between the two parties to a contract, whether they are Shipowners and Charterers or buyers and sellers.

6. What is the importance of documentation in export process? (CLO 2)
 - A. To check the delivery of product.
 - B. To provide information to increase price of goods.
 - C. Help pirates to analyze traffic of sea route.
 - D. Help pirates to deviate sea route.

7. A Commercial Invoice is a document used in (CLO 2)
- A. International Tread
 - B. Tread Bloc
 - C. International Monetary Fund
 - D. Globalization
8. What are the categories of export and import documents? (CLO 2)
- i. Trade documents
 - ii. Contract documents
 - iii. Official documents
 - iv. Port documents
- A. i, ii & iii
 - B. i, ii & iv
 - C. i, iii & iv
 - D. ii, iii & iv
9. Which of the following are **NOT** transport documents? (CLO 2)
- A. Marine bill of lading
 - B. Consignment Notes
 - C. Bill of Exchange
 - D. Air waybill

10. Which statement is the function of export permit? (CLO 2)
- A. To specify the manufacturer of a product imported
 - B. To allow goods brought into the country without paying tax
 - C. To enable for item exported
 - D. To prove the insured value of the exported goods
11. Which Custom Form is used for declaration of goods to be exported? (CLO 2)
- A. Custom Form No 1
 - B. Custom Form No 2
 - C. Custom Form No 3
 - D. Custom Form No 8
12. "Usually refers to a document issued for goods transport by sea." From the information given, determine the type of document that it refers?(CLO 2)
- A. Revocable letters of credit
 - B. Irrevocable letters of credit
 - C. Bill of lading
 - D. financial accounts
13. Which custom form is used for Requisition/ Permit to remove dutiable goods? (CLO 2)
- A. Custom Form No 3
 - B. Custom Form No 2
 - C. Custom Form No 9
 - D. Custom Form No 5A

14. The following statements are **TRUE** of Irrevocable letter of credit **EXCEPT** (CLO 2)
- A. letter of credit is a guarantee by the issuer to receive and pay bills issued in accordance with the conditions.
 - B. the exporter will bear a higher risk if the letter of credit is canceled or modified according to circumstances not benefits, and it may face difficulties in getting payments from importers.
 - C. the guarantee cannot be changed or canceled without the consent of all parties
 - D. letter of credit is commonly used in international trade. It provides protection to exporters for issuing bank guarantees payment on a fixed place in the importer.
15. **Incoterms** or **international commercial terms** are a series of international sales terms, published by _____ (ICC) and widely used in international commercial transactions (CLO 1)
- A. International Chamber of Commerce
 - B. International Communication of Public Commerce
 - C. International Commercial of Commerce
 - D. International Commercial of Communication
16. Which statement is **FALSE** about Electronic Data Interchange (EDI) (CLO 2)
- A. EDI System (Electronic Data Interchange) is also known as line Documentation System.
 - B. EDI System (Electronic Data Interchange) is a system created to facilitate the procedure and standardization of trade documents.
 - C. EDI System (Electronic Data Interchange) is implemented in supermarkets for stock keeping
 - D. EDI System (Electronic Data Interchange) is implemented at the level of government and private sectors related to trade.

17. _____ is the delivery of goods that is done at the specified point in the frontier at the seller's expense. The buyer is responsible for the import customs clearance, payment of customs duties and taxes. The transfer of risk is made at the frontier. (CLO 1)
- A. DAF - Delivered At Frontier
 - B. DAS- Delivered Ex Ship
 - C. DEQ- Delivered Ex Quay
 - D. DDU - Delivered Duty Unpaid
18. INCOTERMS can be determined as (CLO 1)
- A. a trade language that has been standardized to facilitate government and private sectors to negotiate in respect of the international terms of trade
 - B. a trade language that has been standardized to facilitate lecturer and student to negotiate in respect of the international terms of trade
 - C. a trade language that has been standardized to facilitate employer and employee to negotiate in respect of the international terms of trade
 - D. a trade language that has been standardized to facilitate exporters and importers to negotiate in respect of the international terms of trade
19. Electronic Data Interchange (EDI) primarily helps to reduce what form many trading partner based communications? (CLO 2)
- A. People involved in handling an order
 - B. Paper based transactions
 - C. Invoices sent on an annual basis
 - D. Number of communication standards used

20. The following are the importance of INCOTERMS EXCEPT (CLO 1)
- A. to know the fees charged
 - B. to set a reasonable price
 - C. to know the charges imposed
 - D. to set the importer may breach the agreed agreement
21. The basic objective of export Promotion Council is to promote and develop the exports of the (CLO 3)
- A. particular products of country
 - B. only attractive projects of the country
 - C. only services industry products of the country.
 - D. overall exports of the country.
22. The definition of C-terms is (CLO 1)
- A. it include only one INCOTERMS in this category
 - B. it refers to the responsibility of the importer
 - C. it includes four INCOTERMS, and refers to the importers responsibility to manage the transportation
 - D. it includes four INCOTERMS, and refers to the exporters responsibility to manage the transportation
23. International sales are more complicated than domestic sales because (CLO 3)
- A. a customer's credit is more difficult to check
 - B. it may be more difficult to take legal action to collect from a customer who does not pay
 - C. disputes may be more difficult to settle
 - D. all of the above

24. The following are the process involved in of import preparation **EXCEPT** (CLO2)
- A. purchasing of insurance
 - B. receiving document
 - C. applying permit
 - D. dealing with shipping liner
25. Credits transferable by original beneficiary in favor of secondary beneficiary are known as (CLO 2)
- A. deferred credits
 - B. transit credits
 - C. installment credits
 - D. transferable credits

SECTION B

ESSAY (75 marks)

Instruction: This section consists of **THREE (3)** essay questions. Answer all questions.

QUESTION 1

- a) List any **FOUR (4)** agencies involved in import and export activities. (CLO 1)
(4 marks)
- b) Explain **THREE (3)** importances of export and import agencies to the businessman who is internationally engaged. (CLO 1) (9 marks)
- c) Explain the role of Export Management Company and Custom Broker. (CLO 1)
(12 marks)

QUESTION 2

- a) Describe **THREE (3)** importance of documentation in the export and import process (CLO 2) (6 marks)
- b) Illustrate the following categories of export and import documents (CLO 2)
- i. Trade documents
 - ii. Contract documents
 - iii. Official documents (9 marks)
- c) Determine the following trade bill (CLO 2)
- i. Order bill of lading
 - ii. Third party bill of lading
 - iii. Stale bill of lading
 - iv. House bill of lading
 - v. On board bill of lading (10 marks)

QUESTION 3

- a) Discuss the importance of INCOTERMS for export and import activities. (CLO 1) (9 marks)
- b) Describe the responsibilities of exporter and importer in C-Term. (CLO 1) (16 marks)