

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

COMMERCE DEPARTMENT

FINAL EXAMINATION
JUNE 2012 SESSION

P 3501: CUSTOMS PROCEDURES, DOCUMENTATION & EXPORT

DATE: 18 NOVEMBER 2012 (SUNDAY)
DURATION: 2 HOURS (11.15 AM – 1.15 PM)

This paper consists of **SIX (6)** pages including the front page.
SECTION A: CASE STUDY (Answer **ALL** questions)
SECTION B: STRUCTURES (5 questions – answer 3 questions)

CONFIDENTIAL

**DO NOT OPEN THIS QUESTION PAPER UNTIL INSTRUCTED
BY THE CHIEF INVIGILATOR**

In a current scenario, those involved with exporting in Malaysia are expected to experience negative growth because of the global recession. However, as per the report released in 2008 by Ministry of International Trade and Industry, Malaysian exports will continue to gain significantly because of the increasing demand of its goods in countries like United States, Japan and those belonging to European Union.

Electrical and electronic goods, chemicals and chemical related products, machine and related products, appliances and related parts will remain the major items that are exported from Malaysia during 2009. Major regional markets for Malaysian goods including ASEAN countries, Africa and West Asia are likely to maintain their requirement for the goods exported from Malaysia in the year 2009. Furthermore, the manufacturing sector will remain the main leading export sector in 2009 as it was in 2008. Electrical and electronic goods are expected to be the main products that will lead the export sector in Malaysia in 2009. Other major exports that are expected to be mainstay of the exporting business in Malaysia in the year 2009 include petroleum and related products, crude rubber, palm oil and liquefied natural gas (LNG).

Exporting in Malaysia has improved during the recent months as in comparison to the first quarter of 2009 mainly because of the rise in demand for Malaysian goods in China and ASEAN countries. The exports in Malaysia are expected to grow further with the recovery of the major world economies.

QUESTION

- (a) From the above article, exporting in Malaysia has improved year by year. Based on your knowledge, why Malaysia gives a serious emphasis on the export activities and what are the contribution to Malaysia? (15 marks)
- (b) There are several factors to be considered by every country before they get involve in export activities. Explain FOUR (4) factors of the consideration. (10 marks)

SECTION A

CASE STUDY (25 marks)

INSTRUCTIONS:

This section consists of case study questions. Answer **ALL** questions in the answers booklet.

Exporting in Malaysia is subjected to the "First Schedule to the Customs Duties of 1988" that lays down the procedure for charging export duty that is applicable to particular types of goods. The goods meant for exporting in Malaysia, whether by air, sea, rail, road or pipeline, are subjected to pay duty or duty free, must be presented for examination at the place of export or at any other place that is considered appropriate by the custom authorities. It is necessary to lodge an export declaration in order to get the permission for a particular export. The Export Declaration Form can be filled by the owner of the firm, the exporter or agent that is approved by the custom authorities and is authorized by the exporter or the owner.

The goods meant for exporting in Malaysia should also be accompanied by certain documents like commercial or export invoices, documents ascertaining the origin of the goods, relevant bank documents, necessary export license, especially if the goods are restricted and prohibited by the Customs, packing list and KPWX form for Foreign Exchange Control if the worth of goods exported is equal to or exceeds RM 100,000.

There are certain goods that are absolutely banned for export in Malaysia. The list includes turtle eggs, rattan, petroleum and related products, arms, weapons, ammunition, military equipments including vehicles and spare parts, and equipment for police. The goods prohibited from exporting in Malaysia, unless accompanied by relevant export license include sugar, rice and paddy, eggs, meat, live animals, cockles, skin and parts of birds, minerals and ores, plants, coral, live fish, oil palms, milk and related products, rubber seeds, waste paper, logs and timber, scraps of iron, copper, tin and other metals, palm seeds and all goods to Israel.

QUESTION 3

- (a) State **FIVE (5)** importance of pro forma invoice to the importers. (5 marks)
- (b) Explain briefly about the bill of lading and its functions. (5 marks)
- (c) Give the function for the following Customs Forms as below:-
- i) Custom Form No 1
 - ii) Custom Form No 2
 - iii) Custom Form No 3
 - iv) Custom Form No 8
 - v) Custom Form No 9 (10 marks)
- (d) What is EDI system and state the benefit of it in export process? (5 marks)

QUESTION 4

- (a) Explain briefly **FOUR (4)** functions of INCOTERMS existence (8 marks)
- (b) Describe **FOUR (4)** advantages of INCOTERMS (8 marks)
- (c) Define and explain briefly the following INCOTERMS:-
- i) FCA
 - ii) CFR
 - iii) EXW (9 marks)

SECTION B**STRUCTURES / ESSAY (75 marks)****INSTRUCTION:**

This section consists of **FIVE (5)** structures questions. Answer **THREE (3)** questions.

QUESTION 1

- (a) Explain the functions of the manager in **FIVE (5)** departments of export office. (15 marks)
- (b) Describe **TWO (2)** structures in export office. (10 marks)

QUESTION 2

- (a) Explain the function and example of export agencies as below:-
- i) After Sales Service agency
 - ii) Salaried Agent
 - iii) Shipbroker
 - iv) Del Credere
 - v) Customs Broker (15 marks)
- (b) Discuss **FIVE (5)** importance's of an export agency services in export activities. (10 marks)

QUESTION 5

- (a) Import and export will be done if the procedure of export runs efficiently. Explain **SIX (6)** procedures that exporter need to do before they export their products into new market. (18 marks)
- (b) State **SEVEN (7)** documents related during the export process. (7 marks)