

**SECTION A****OBJECTIVES (25 marks)****INSTRUCTION:**

This section consists of **TWENTY FIVE (25)** objective questions.

Answer **ALL** questions in the answer booklet.

1. The definition of export is \_\_\_\_\_ [CLO 1:C1]
  - A. Selling the product in home country
  - B. Buying the product in home country
  - C. Selling the product in host country
  - D. Buying the product in host country
  
2. Which statements are **TRUE** about contribution of export and import? [CLO 1:C2]
  - i. Decreasing income of the country
  - ii. Increasing income of the country
  - iii. Increasing technology transfer
  - iv. Decreasing foreign exchange and stabilizing the RM currency
  - A. i and ii
  - B. i and iii
  - C. ii and iii
  - D. ii, iii and iv
  
3. Which of the following is **NOT TRUE** about the importance of Export and Import? [CLO 1:C2]
  - A. To expand sales
  - B. To acquire resources
  - C. To increase job opportunity
  - D. To maximize competitive risk

**POLITEKNIK**  
Jabatan Pengajian Politeknik

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

COMMERCE DEPARTMENT

FINAL EXAMINATION

JUNE 2012 SESSION

**PP301: EXPORT AND IMPORT DOCUMENTATION**

**DATE: 23 NOVEMBER 2012 (FRIDAY)**  
**DURATION: 2 HOURS (8.30 A.M – 10.30 A.M)**

This paper consists of **TEN (10)** pages including the front page.

**SECTION A: OBJECTIVES (25 questions – answer all)**

**SECTION B: ESSAY (3 questions – answer all)**

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**THE CHIEF INVIGILATOR**

(The CLO stated is for reference only)

9. The following statements are correct, **EXCEPT** [CLO 2:C4]
- A. A bill of lading serves as a proof of ownership of the cargo
  - B. A Straight bill of lading is also known as a negotiable bill of lading
  - C. An Order bill of lading can be transferred by endorsement to third parties.
  - D. A bill of lading is required in all claims for compensation for any damage, delay, or loss.
10. Which of the following are the correct types of a bill of lading? [CLO 2:C3]
- i. Through bill of lading
  - ii. House bill of lading
  - iii. Clean bill of lading
  - iv. On-board bill of lading
- A. i and ii
  - B. i, ii and iii
  - C. i, ii, and iv
  - D. i, ii, iii and iv
11. Which of the following is **NOT** an example of trade document. [CLO 2: C1]
- A. Bill of Lading
  - B. Consular Invoice
  - C. Pro-forma Invoice
  - D. Certificate of Origin
12. Choose the best example of a contract document? [CLO 2: C2]
- A. ATA Carnet
  - B. Airway Bill
  - C. Letter of Credit
  - D. Certificate of Origin

4. Which of the following is the importance of export and import? [CLO 1: C1]
- A. To increase the income of the country
  - B. To improve the standard of living
  - C. To stabilize the foreign exchange
  - D. To introduce a country to the world
5. An example of Del Credere is \_\_\_\_\_ [CLO 1:C2]
- A. PKT Logistics
  - B. Exporter Bank
  - C. Tiong Nam
  - D. DHL
6. These are **NOT** the purpose of export and import agency, **EXCEPT** [CLO 1:C2]
- A. To help exporter in documentation
  - B. To advice exporter in management
  - C. To assist exporter in infrastructure
  - D. To get some resources for exporter
- “Will arrange a meeting between two parties, who have similar interests in relation to the shipping vessel owners of exporters.”
7. The statement above refers to [CLO 1:C2]
- A. Shipbroker
  - B. Del Credere
  - C. Custom broker
  - D. Company Offloading
8. The following export and import documentation are official documents, **EXCEPT** [CLO 2:C3]
- A. Manifest
  - B. Customs form
  - C. Pro-forma invoice
  - D. Import and export license

17. Which of the following INCOTERMS are used at the end of sales contract? [CLO 1:C1]
- i. FOB
  - ii. CIP
  - iii. CFR
  - iv. DDP
- A. i, iv
  - B. ii, iii
  - C. iii, iv
  - D. iv only

18. The sellers only responsibility is to make the goods available at the sellers premises [CLO 1:C2]

The statement above refers to

- A. Free Carrier
  - B. Ex Works
  - C. Free on Board
  - D. Cost, Insurance and freight
19. Which of the following statements are **NOT TRUE** about INCOTERMS? [CLO 1:C3]
- A. To reduce misunderstanding between exporter and importer.
  - B. To increase barriers between cost and transportation to exporter and importer.
  - C. To indicate which salesman or purchaser should subscribe the contract of carriage.
  - D. To distribute between the two logistic and administrative expenses at various stages of the process.

13. Pro-forma invoice can be defined as a document that shows \_\_\_\_\_. [CLO 2: C1]
- A. A product has been sold
  - B. A product is a national product
  - C. The preliminary notice to a prospective importer
  - D. The acceptance to bring a product for an interim period
14. The document issued by a shipping liner is to prove that cargoes have loaded the goods onto the ship without any damage. The document mentioned above refers to the \_\_\_\_\_ Bill of Lading. [CLO 2: C3]
- A. Clean
  - B. Claused
  - C. On deck
  - D. On board
15. INCOTERMS is the acronym of \_\_\_\_\_. [CLO 1: C1]
- A. International Commerce Terms
  - B. International Commercial Terms
  - C. International Community Terms
  - D. International Cooperation Terms
16. Which of the following INCOTERMS are used at the beginning of sales contract? [CLO 1:C1]
- i. FOB
  - ii. CIP
  - iii. CFR
  - iv. DDP
- A. i, ii and iii
  - B. i and iv
  - C. ii and iii
  - D. iii and iv

24. Which of the following statement are **FALSE**? [CLO3:C4]
- i. The purpose of buying insurance is only to protect goods
  - ii. Accepting an export offer is the second step in export preparation that should be followed
  - iii. The exporter must fill in the custom forms and send it to the custom officer to be updated in EDI system
  - iv. Accepting an export offer is the first step and is a way to promote products
- A. i, ii and iii
  - B. i, ii and iv
  - C. ii, iii and iv
  - D. All of the above
25. Who is the party responsible to update data in the EDI system? [CLO3:C3]
- A. Custom
  - B. Exporter
  - C. Immigration
  - D. Freight forwarder

20. Which of the following are the **CORRECT** procedures for an export preparation? [CLO 2:C4]
- i. Preparing and accepting an export offer
  - ii. Initiating production
  - iii. Purchasing insurance and dealing with bank
  - iv. Completing form
- A. i, ii, iii and iv
  - B. i ,iii, ii and iv
  - C. iii, i, ii and iv
  - D. vi, i, iii and ii
21. The following are the steps of exporting, **EXCEPT** [CLO 2: C1]
- A. Purchase of insurance
  - B. Export preparation
  - C. Dealing with Supplier
  - D. Initiation of Production
22. The following are the steps of importing, **EXCEPT** [CLO 3: C1]
- A. Receiving Document
  - B. Applying import permit
  - C. Dealing with shipping liner
  - D. Completing custom form
23. Which of the following is the development of export and import documentation? [CLO 2: C3]
- A. EDI System
  - B. ATA Carnet
  - C. Airway Bill
  - D. Packaging List

**QUESTION 3**

- a) State any **FOUR (4)** agencies involved in the export and import activities. [CLO3:C3]  
(4 marks)
- b) Briefly explain **THREE (3)** reasons why firms are involved with export activities. Relate with the firms you are familiar with to support your answer. [CLO3:C5]  
(9 marks)
- c) Explain **FOUR (4)** challenges for new exporter involved in international trade activities. [CLO3 :C4]  
(12 marks)

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

This section consists of **THREE (3)** essay questions.

Answer **ALL** questions in the answer booklet.

**QUESTION 1**

- a) State 5 countries that have international trade with Malaysia. [CLO1 :C1]  
(5 marks)
- b) Briefly explain function of agencies below based on its export and import activities. [CLO1 :C3]
- i. Haulage Company (4 marks)
  - ii. Freight Forwarder (4 marks)
- c) Elaborate **THREE (3)** importance of export activity in a country. [CLO1 :C3]  
(12 marks)

**QUESTION 2**

- a) i. List any **FOUR (4)** steps in the early stage of export preparation. [CLO2 :C2]  
(4 marks)
- ii. List any **THREE (3)** steps in the early stage of import preparation [CLO2 :C2]  
(3 marks)
- b) Explain with detail all **SIX (6)** steps in the early stage of export preparation. [CLO2 :C2]  
( 18 marks)