

**I. CHOOSE THE BEST ANSWER:**

1. EPC stands for

- (a) Export Processing Commission (b) Export Promotion Council  
(c) Export Carriage Council (d) Export Promotion Congress

2. STC is expansion of

- (a) State Training Centre (b) State Training Council  
(c) State Trading Centre (d) State Trading Corporation

3. An \_\_\_\_ is a document prepared by the importer and sent to the exporter to buy the goods.

- (a) Invoice (b) Indent (c) Enquiry (d) Charter party

4. The \_\_receipt is an acknowledgement of receipt of goods on the ship issued by the Captain.

- (a) Shipping Bill (b) Bill of Lading (c) Mate's Receipt (d) Consular Invoice

5. The Exporters appoint the \_\_\_\_\_ agent to fulfill the customs formalities.

- (a) Clearing Agent (b) Forwarding Agent  
(c) Commission Agent (d) Factor

**II. VERY SHORT ANSWER QUESTIONS**

1. What is meant by Indent?

- ☆ An indent actually points to an order received from abroad for export of goods.  
i.e. sale of goods.
- ☆ The indent contains the details in the box.
- ☆ Indent is prepared in duplicate.

2. Write any two export promotion institutions.

- ✱ Export Promotion Council
- ✱ State Trading Corporation

### 3. Mention the types of Indent.

- ✕ Open Indent
- ✕ Closed Indent
- ✕ Confirmatory Indent.

### 4. What is the Letter of credit?

Letter of Credit (LC) is an undertaking by its issuer that bills of exchange drawn by the foreign dealer on the importer will be honored upon its presentation by exporter's bank up to a specified amount.

## III. SHORT ANSWER QUESTIONS

### 1. What are the contents of Indents?

- ✱ Quantity of goods sent
- ✱ Design of goods
- ✱ Price
- ✱ Nature of packing shipment
- ✱ Mode of shipment
- ✱ Period of delivery
- ✱ Mode of payment

### 2. What is meaning of consular invoice?

- ✕ Where the customs duties are charged on the basis of value of goods at import's port.
- ✕ The customs officers are empowered to open the consignment to calculate duties.
- ✕ In order to avoid this problem exporter obtains consular invoice and sends it over to the importer.

### 3. What is meant Charter Party?

- ✱ A charter party is a formal agreement between ship owner and the exporter.
- ✱ The hiring of ship for specific voyage is called voyage charter.
- ✱ This hiring of entire ship for a specific time period is called time charter

### 4. Write a short note on Mate's receipt?

- ♣ It is the document issued by the captain of the ship acknowledging the receipt of goods on board.
- ♣ This contains details like quantity of goods shipped, number of packages condition for packing.
- ♣ Where the Mate is satisfied with packing he/she issues clean receipt.
- ♣ If he/she is not satisfied with packing, he/she issues foul receipt.

## 5. What is Bill of Lading?

- ★ It refers to a document signed by ship owner or to his agent mentioning that goods specified have been received.
- ★ It would be delivered to the importer or his agent at the port of destination if good condition subject to terms and conditions mentioned therein.

## IV. LONG ANSWER QUESTIONS

### 1. What are the procedures relating to Export trade?

#### i). Receiving Trade Enquiry

- Quantity of goods available.
- Price per unit
- Terms and conditions of shipment and payment
- Probable delivery time

#### ii). Receiving Indent and Sending Confirmation

- ★ An indent actually points to an order received from abroad for export of goods. i.e. sale of goods.
- ★ The indent contains the details in the box.
- ★ Indent is prepared in duplicate.

#### iii). Arranging Letter of Credit

- Letter of Credit (LC) is an undertaking by its issuer that bills of exchange drawn by the foreign dealer on the importer will be honored upon its presentation by exporter's bank up to a specified amount.

#### iv). Obtaining Importer Exporter Code and RBI code Number

- Exporter has to apply in Ayaab Niryatt Form 2A to the Regional Authority of the Director General of Foreign Trade in the region where the registered office of the company is located.
- Exporter has to mention the number in all the shipping documents.

#### v). Export Inspection Certificate

- ★ After the goods have been packed as per the specifications of importer, the exporter has to apply to the Export Inspection Agency in this connection.
- ★ The agency sends an inspector to inspect the consignment

## 2. Distinguish between Bill of Lading and Charter Party

S.No	Basis	Bill of Lading	Charter Party
01	<b>Transferable</b>	It can be transferred to third party	It cannot be transferred to third party
02	<b>Loan</b>	Loan can be raised against it	Loan cannot be raised against it
03	<b>Crew</b>	Master and crew remain the agent of ship owner	Master and crew become the agent of exporter for a temporary period
04	<b>Lease</b>	It is not a lease of ship	It is a lease of ship

## 3. What are the documents used in Export Trade?

### i). Documents Related to Goods:

- ✿ Indent
- ✿ Certificate of origin
- ✿ Certificate of Inspection

### ii). Documents Related to Shipment

- ❖ Mate's Receipt
- ❖ Shipping Bill
- ❖ Shipping Order
- ❖ Bill of Lading
- ❖ Marine Insurance Policy
- ❖ Consumer Invoice

### iii). Documents Related to Payment

- ✱ Letter of Credit
- ✱ Commercial Invoice
- ✱ Bills of Exchange
- ✱ Bank Certificate Payment

## 4. Explain the various functions of Export Trading Houses.

- ✕ Identifying potential market for a product
- ✕ Finding buyers and their agent and eliciting their response for export proposal.
- ✕ Preparing the goods for delivery at destination
- ✕ Determining buyer's creditworthiness
- ✕ Negotiating the transactions
- ✕ Financing the transactions and paying for goods and service received.
- ✕ Preparing document for international trade
- ✕ Settling claim.

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