

Enrollment No.....



Faculty of Management Studies
End Sem Examination May-2024

MS3ET09

Risk Management & Settlement of Claims in Foreign
Trade

Programme: BBA

Branch/Specialisation: Management

Duration: 3 Hrs.**Maximum Marks: 60**

Note: All questions are compulsory. Internal choices, if any, are indicated. Answers of Q.1 (MCQs) should be written in full instead of only a, b, c or d. Assume suitable data if necessary. Notations and symbols have their usual meaning.

- Q.1 i. _____ refer to potential losses arising from the trading partners or the market. 1
 (a) Commercial risk (b) Trade risk
 (c) Legal risk (d) Credit risk
- ii. Techniques to manage the foreign exchange risk is/are: 1
 (a) Netting (b) Hedging
 (c) Forward contract (d) All of these
- iii. In Marine Insurance Policy _____ i.e. one which requires utmost good faith on the part of both the insurer and the assured. 1
 (a) Uberrimae fidei (b) Good Faith
 (c) Underwriter (d) None of These
- iv. The ECGC Ltd. wholly owned by government of India, was set up in _____. 1
 (a) 1956 (b) 1958 (c) 1959 (d) 1957
- v. _____ is a form of dispute resolution for small lawsuits and provides a simpler and cheaper alternative to litigation. 1
 (a) Civil conciliation (b) Domestic conciliation
 (c) Recourse conciliation (d) None of these
- vi. Conciliation is a _____ procedures where an impartial third party, known as the conciliator, assist the parties to a dispute in reaching a mutually agreed settlement of the dispute. 1
 (a) Binding (b) Non-binding
 (c) Partially binding (d) Conditional binding

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- vii. International arbitration is a _____ dispute resolution mechanism that provides a final and binding outcome. **1**
 (a) Judicial (b) Non-judicial
 (c) Both (a) and (b) (d) None of these
- viii. _____ arbitration is arbitration agreed to and arranged by the parties themselves without recourse to any institution. **1**
 (a) Adhoc (b) Partial (c) Foreign (d) Administered
- ix. _____ is a legal process in which the court decides the outcome for the dispute. **1**
 (a) Arbitration (b) Conciliation
 (c) Litigation (d) Non-litigation
- x. Which among the following is not a disadvantage of Litigation? **1**
 (a) Long standing arguments
 (b) Loss of public image
 (c) Non-binding
 (d) Emotional drain
- Q.2 i. Define risk in the context of foreign trade. Briefly explain the types of risks. **4**
 ii. Explain exchange fluctuation risk and their factors contributing risk. **6**
- OR iii. What do you mean by cargo risk? Explain the factors contributing cargo risk and the ways to mitigate the losses. **6**
- Q.3 i. What do you mean by overseas investment insurance? **4**
 ii. Write a detailed note on marine insurance policy. **6**
- OR iii. Explain the role of export credit and guarantee corporation in covering various risk in international trade. **6**
- Q.4 i. Define conciliation. Write its significance in international trade. **4**
 ii. Explain the different types of conciliation with an example of each. **6**
- OR iii. Explain the applicability and role of conciliation in settling foreign trade disputes. **6**
- Q.5 i. Define arbitration. Write its significance in international trade. **4**
 ii. Differentiate between conciliation and arbitration with example of each. **6**

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- OR iii. Explain the applicability and role of arbitration in settling foreign trade disputes. **6**
- Q.6 i. Define litigation. Write its significance in international trade. **4**
 ii. Differentiate between conciliation, arbitration & litigation with examples. **6**
- OR iii. Explain the applicability and role of litigation in settling foreign trade disputes highlighting its advantages and disadvantages. **6**

Marking Scheme

MS3ET09 (T) Risk Management & Settlement of Claims in Foreign Trade

Q.1	i)	A	1
	ii)	D	1
	iii)	A	1
	iv)	D	1
	v)	A	1
	vi)	B	1
	vii)	B	1
	viii)	A	1
	ix)	C	1
	x)	C	1
Q.2	i.	1 Mark definition + 3 Marks Type	4
	ii.	2 Marks concept + 4 Marks factors	6
OR	iii.	2 Marks concept + 4 Marks factors	6
Q.3	i.	1 Mark concept + 3 Marks benefits	4
	ii.	2 Marks concept + 3 Marks policy features + 1 mark policies example	6
OR	iii.	1 Mark concept + 5 Marks roles	6
Q.4	i.	1 Mark concept + 3 Marks significance	4
	ii.	Types 1 Mark each	6
OR	iii.	Applicability 2 mark+ roles 4 marks	6
Q.5	i.	Definition 1 mark+ 3 Marks significance	4
	ii.	6 Difference 1 marks each	6
OR	iii.	Applicability 2 mark+ roles 4 marks	6
Q.6			
	i.	Definition 1 mark+ 3 Marks significance	4
	ii.	3 Difference 2 marks each	6
	iii.	Application 2 mark+ roles 4 marks	6