

INDIAN MARITIME UNIVERSITY
(A Central University, Govt. of India)
End Semester Examinations – June 2022
MBA-International Transportation & Logistics Management
Semester IV
PG22T2402- INTERNATIONAL LOGISTICS

Date : 03.06.2022
Duration : 3 Hours

Maximum Marks: 60
Pass Marks : 30

Part A – 10 MCQs (10 X 01 Mark)

- i. Which theory explains the basis of comparative advantage of a country??
 - a) Absolute Advantage theory
 - b) Comparative advantage theory
 - c) Heckscher-Ohlin factor endowment theory
 - d) Factor Price equalisation theory

- ii. The treaty of Rome was signed in
 - a) 1957
 - b) 1958
 - c) 1959
 - d) 1960

- iii. When a manufacturer goes overseas and asks its suppliers to continue doing business abroad with him. The supplier is said to be _____ on that customer's efforts.
 - a) Subcontracting
 - b) Parallel imports
 - c) Piggy backing
 - d) Agent

- iv. When the company expects a fairly long product life cycle, when the product is a stock item and requires after sale service and/or maintenance parts, it is strategic for the company to take the help of a _____ for its overseas sales.
 - a) Agent
 - b) Distributor
 - c) Marketing Subsidiary
 - d) Export Trading Company

- v. Probability of losing the business because of the choice of method of payment is least in
 - a) Cash in Advance
 - b) Letter of Credit
 - c) Documentary Collection
 - d) Open Account

- vi. A time draft is a draft in which
 - a) The importer promises to pay the exporter 30,60, or 90 days after the importer has signed the draft.
 - b) The importer promises to pay the exporter 30,60, or 90 days after the shipment date of the goods, regardless of the date on which exporter has signed the draft.
 - c) The importer promises to pay the exporter 30,60, 90 or 120 days after the shipment date of the goods, regardless of the date on which importer has signed the draft.
 - d) The importer promises to pay the exporter 30,60, 90 or 120 days after the exporter has signed the draft.

- vii. Which theory of exchange rate determination holds that the spot exchange rates between two currencies should reflect the differences in nominal interests between these two countries?
 - a) Purchasing Power Parity
 - b) International Fisher Effect
 - c) Interest Rate Parity
 - d) Forward Rate as Unbiased Predictor of Spot Rate

- viii. C-TPAT is?
 - a) A set of guidelines to increase the cooperation of national customs administrations in fighting security threats
 - b) A security strategy that consists of preventing all imports of potentially dangerous goods and potentially dangerous persons
 - c) A voluntary partnership programme of the U.S. CPB.
 - d) A security strategy that consists of inspecting every single shipment.

- ix. In a documentary collection, the promise by the presenting bank that the importer will honour the draft and that, should the importer default, the bank will make the payment is known as
 - a) Aval
 - b) Forfaiting

- c) Trade acceptance
 - d) Bill of exchange
- x. The International Chamber of Commerce published guidelines for documentary collections in its
- a) UCP 600
 - b) URR 725
 - c) URC 522
 - d) None of the above

Part B – 5 Short Questions (05 X 02 Marks)

- i. Define "Reverse Logistics".
- ii. List out any four functions of WTO.
- iii. Define factoring. Under what circumstances it is used in international transaction and by whom?
- iv. Define Stand-by Letters of Credit.
- v. Describe Currency Options.

Part C – 7 Long Questions - Answer Any 5 (05 X 08 Marks)

- i. Discuss various factors affecting international trade.
- ii. Explain infrastructure problems as faced by ports.
- iii. Elaborate on various international methods of entry into a foreign market by a firm.
- iv. A good exporter should consider the risk of currency exchange rate fluctuation as an opportunity – elaborate.
- v. What are some issues and risks that international packaging faces that are not present in a domestic shipment?
- vi. Briefly discuss the impact of a significant disruption in international logistics on world trade and business.
- vii. Briefly explain the importance of cultural sensitivity in respect of international logistics
