

# INDIAN MARITIME UNIVERSITY

(A Central University, Govt. of India)

End Semester Examinations – Dec 2019/Jan 2020

**B.B.A (Logistics, Retailing and E-Commerce)**

**Semester - V**

**UG31T1503-Logistics and Supply Chain Management-II**

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**Date: 03.12.2019**

**Max Marks :100**

**Time: 3 HRS**

**Pass Marks : 50**

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## **Part – A**

**Answer all the Questions: 10 x 1 mark = 10 marks**

1. You would select a 40' container if
  - a) The cargo is metal ingots
  - b) The cargo is garments
  - c) The cargo is Edible oil
  - d) The cargo is to be loaded from the top.
  
2. Freight of a laden container will take into account
  - a) Weight or measure of the cargo
  - b) What the traffic will bear
  - c) Volume /frequency of the business
  - d) All of the above
  
3. Where container cargo has to be reached inland by a waterway, we can use
  - a) pipeline
  - b) by barges
  - c) by small country crafts
  - d) by road
  
4. Marine insurance policies use the phrase "subrogation". What does that mean?
  - a) Legal right to proceed on behalf of 3<sup>rd</sup> party
  - b) Legal right to repudiate the claim
  - c) Legal right to waive the claim in case of direct settlements
  - d) None of the above
  
5. Freight forwarders in India are protected by the Indian law called
  - a) Indian Port and terminals Act

- b) Regulation OF SHIPPING AGENTS act.
  - c) Multimodal transportation ACT
  - d) Carriage of Goods Act
6. International contracts are legally covered by
- a) Various international laws
  - b) Your national laws if you are an exporter
  - c) CISG convention or any other you would choose at the time of contracting
  - d) UNCTAD code of contracts
7. In case of an open account in trading, the risk of non-payment is with
- a) The logistics service provider
  - b) The buyer
  - c) The seller
  - d) The shipping line
8. ECGC in India covers the export risks of
- a) nonpayment against country risks
  - b) bankruptcy of the buyer
  - c) Loss of goods abroad
  - d) All of the above
9. Law of agency covers the relationship
- a) Between agent and shipping line
  - b) Between agent and the government
  - c) Between agent and his principal
  - d) All of the above
10. Forward rate is
- a) To mitigate exchange risks
  - b) Spot rate plus some margin for interest for the period ahead
  - c) Future rates estimated and hedged adequately
  - d) All of the above

**Part – B**

**Answer any 6 questions not exceeding 200 words:  
6 x 7 marks = 42 marks**

11. Briefly explain the role of Arbitration. How is it considered superior to judicial process?
12. Letter of credit is the mostly the preferred method as well as safest for sellers that is used in international transactions. Yet, many do not prefer it. Why?
13. The currency used in international transactions can be different from that of the seller or buyer. What could be the reasons?
14. Which are the methods you will consider covering your risks of a forex transactions say 60 days from now? Discuss briefly their role and limitations.
15. List 5 major disadvantages of containerization.
16. Write a note on how ICDs help in foreign trade of a country.
17. Write a short note on IATA and its role in stabilizing air cargo business.
18. Explain the role of packaging in international trade.

**Part – C**

**Question No: 19 is compulsory.**

**Answer any 3 from the remaining 5 Questions, not exceeding 500 Words**

**4x12 marks = 48 marks**

19. Why do we need INCO terms? Explain at least 3 terms which are used for non-containerised cargo movements.
20. In order to enter into a foreign market, MNCs sometimes prefer JV. Discuss the factors they may consider before entering the new market.
21. Containerisation has certain advantages which facilitate supply chain management. Discuss.
22. Explain the role played by NVOCC in movement of cargo.
23. Discuss the role of Agent and a distributor in a foreign market. How can they help the MNC principal to develop the market and what are their limitations?
24. What is an Insurable Interest? Give some examples of same. Also list few cases where there is no insurable interest.