

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom DEGREE EXAMINATION MAY 2025
(Sixth Semester)

Branch – COMMERCE (FOREIGN TRADE)

FOREIGN TRADE PROCEDURES AND DOCUMENTATION

Time: Three Hours

Maximum: 50 Marks

SECTION-A (5 Marks)

Answer ALL questions

ALL questions carry EQUAL marks

(5 x 1 = 5)

- 1 Which of these is the most secure method of payment in international trade?
(i) Open account (ii) Letter of credit
(iii) Advance payment (iv) Documentary collection
- 2 What is an essential component of an export contract?
(i) The internal financial structure of the exporter
(ii) The exporter's goodwill certificate
(iii) Clear details about the product, pricing, delivery, and payment terms
(iv) The importer's advertising budget
- 3 What is the first step in the export procedure?
(i) Customs clearance
(ii) Selecting an international market
(iii) Obtaining an Import Export Code (IEC) from the regulatory authority
(iv) Applying for export incentives
- 4 Which document is submitted to customs authorities for the clearance of imported goods?
(i) Bill of Lading (ii) Shipping Bill
(iii) Bill of Entry (iv) Commercial Invoice
- 5 Which of the following risks relates to fluctuating exchange rates in international trade?
(i) Transport risk (ii) Contract and credit risk
(iii) Country and political risk (iv) Currency risk

SECTION - B (15 Marks)

Answer ALL Questions

ALL Questions Carry EQUAL Marks

(5 x 3 = 15)

- 6 a Outline the features of global trade.
OR
b Classify the various methods of payment in international trade.
- 7 a Describe the steps involved in the process of selecting a product for export.
OR
b Explain the essential contents of an export contract.
- 8 a Show the step-by-step procedure involved in exporting goods.
OR
b Summarize the customs clearance process for export goods.
- 9 a Bring out the legal dimensions of import procedures.
OR
b Classify the various financing options available to importers.

Cont...

- 10 a Explain the various pricing methods used in international markets.
OR
b State the importance of risk management in international trade.

SECTION -C (30 Marks)

Answer any **Three** questions

ALL questions carry **EQUAL** Marks

(3 x 10 = 30)

- 11 Analyze the major barriers to international trade in services.
- 12 Discuss the process and challenges of entering into an export contract with a foreign buyer.
- 13 Examine the features and benefits of ECGC to exporters.
- 14 Highlight the essential documents required for importing goods.
- 15 Enumerate the factors that influence pricing decisions in international markets.

Z-Z-Z

END