



BUSINESS STUDIES

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BUSINESS STUDIES (HINGLISH)

INTERNATIONAL TRADE

Objective Type Questions Mcqs

1. Which of the following documents is not required for obtaining export license ?

A. IEC number

B. Letter of credit

C. Registration-cum-membership

D. Bank account number certificate

Answer: B



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2. Which of the following documents is not required in connection with an import transaction?

- A. Bill of lading
- B. Shipping bill
- C. Certificate of origin
- D. Shipment advice

Answer: B



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3. Which one of the following is not a document related to fulfil the customs formalities?

- A. Shipping bill
- B. Export licence
- C. Letter of insurance
- D. Performa invoice

Answer: B



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4. Which one of the following is not a part of export documents?

A. Commercial invoice

B. Certificate of origin

C. Bill of entry

D. Mate's receipt

Answer: C



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5. A receipt issued by the commanding officer of the ship when the cargo is loaded on the ship is known as

A. Shipping receipt

B. Mate's receipt

C. Cargo receipt

D. Charter receipt

Answer: B



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6. Which of the following documents is prepared by the exporter and included details of the cargo in terms of the shipper's name,

the number of packages, the shipping bill, port of destination, name of the vehicle carrying the cargo?

- A. Shipping bill
- B. Packaging list
- C. Mate's receipt
- D. Bill of exchange

Answer: A



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7. The document containing the guarantee of a bank to honour drafts drawn on it by an exporter is

A. Letter of hypothecation

B. Letter of credit

C. Bill of lading

D. Bill of exchange

Answer: B



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8. International business is more than international trade. True/false? Given reason.



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9. A letter of credit is a guarantee issued by the importer's bank. True/False? Given reason.



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10. Obtaining pre-shipment finance is necessary to undertake export production.

True/False? Given reason.



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11. Pre-shipment inspections is obligatory for all exporting firms. True/False? Given reason.



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12. In case of sight draft, the documents are delivered to the importer against his/ her acceptance of the bill of exchange. True/False?

Given reason.



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13. In India, all foreign exchange transactions are regulated by the Central government. True/False? Given reason.



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14. A change for services dock authorities is called customs duty. True/False? Give reason.



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15. Which is the most appropriate and secure method of payment to settle international transactions?



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16. What is the purpose of pre-shipment finance?



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17. Why is it necessary for an export firm to go in for pre-shipment inspection?



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18. Why does an importer ask the exporter to send a 'Certificate of Origin'?



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19. What is IEC number?



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20. From where the exporter of goods can obtain the 'Certificate of Origin'?



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21. What is carting order?



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22. Name any one method of sending an enquiry to different exporters for quotations by an importing firm.



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23. Why do most exporters demand a letter of credit from the importer?



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24. What is pre-shipment finance?



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25. Why is advanced planning for financing imports necessary?



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26. What information does performa invoice contain?



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27. Why should the indent be carefully drafted?



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28. What do you mean by 'customs drawback'?



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29. It is an instruction to the captain of the ship that the specified goods after custom clearance at a designated port be received on board. Name it.



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30. It is main document on the basis of which the custom office given the permission for export. Name it.



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31. It acts as a proof that goods have actually been manufactured in the country from where the export is taking place. Which certificate is highlighbed in this statement?



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32. At an international level, various organisations exist for accelerating the pace of development and trade among the nations. Name one such organisation.



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Creating Based Questions

1. Rakha Garments has received an order to export 20,000 men's trousers to Swift Imports

Ltd. Located in Australia. Rakha garments makes necessary enquiry about the credit-worthiness of Swift Imports Ltd. and demands a letter of credit from it. After a week, Rakha garments gets a letter of credit issued by the importer's bank.

Discuss the six-steps procedure that Rakha Garments would need to go through for executing the export order.



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2. Your firm is planning to import textile machinery from Canada. Describe the procedure involved in importing.



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3. Identify the documents highlighted in the following statements:

(i) This certificate specifies the origin of goods exported.

(ii) This document is issued by the

commanding officer of the ship to the exporter after the cargo is loaded on the ship.

(iii) This document is prepared by shipping company to acknowledge the receipt of goods on ship and gives an undertaking to carry them to port of destination.

(iv) This document is the most appropriate and secure method of payment to settle international transactions.

(v) On the basis of this document. customs office grants permission for the export.

(vi) This document is prepared by the importer and it shows the details of goods imported

and is used by custom authorities to determine import duty.



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4. What is bill of lading? How does it differ from bill of entry?



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5. Differentiate between the following:

(i) Sight and usance drafts

(ii) Bill of lading and airway bill

(iii) Pre-shipment and post -shipment finance



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