

(Theory Paper)

Paper Code : MCO 405 (C)

(Global Trade and Finance)

Full Marks – 80

Pass Marks – 32

Time – Three hours

The figures in the margin indicate full marks for the questions.

1. Choose the correct answers : $1 \times 6 = 6$

- (a) 'Global trade' and 'Domestic trade' differs because of
- (i) different Government policies
 - (ii) trade restrictions
 - (iii) immobility of factors
 - (iv) All of the above
- (b) The full form of DGFT is
- (i) Diplomatic General of Foreign Trading
 - (ii) Diplomatic Group of Foreign Trade
 - (iii) Directorate General of Foreign Trade
 - (iv) Directorate General of Forex Trading.

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(c) A document issued by a bank guaranteeing payment to a seller to be received on time with correct amount of trade is called

- (i) Banker's draft (ii) Letter of Credit
(iii) Cheque (iv) Bill of exchange

(d) Which of the following financial institution mainly deals in financing Global trade ?

- (i) EXIM Bank (ii) SBI
(iii) RBI (iv) Union Bank

(e) Factors that allow a company to produce goods or services better or more cheaply than its rivals is called

- (i) Hybrid Financing
(ii) Competitive Advantage
(iii) Financial Collaboration
(iv) Market Advantage

(e) Export Credit Guarantee Corporation of India (ECGCI) provides

- (i) A range of insurance covers to Indian exporters against the trade risks

(ii) Export Factoring Facility for MSME sectors dealing with overseas

(iii) Different types of credit insurance covers to banks and other financial institutions.

(iv) All of these

2. Answer the following questions : 2×5=10

- (a) What is Foreign trade policy ?
(b) What are 'Shipping bill' and 'Bill of lading' ?
(c) Mention any needs of pre-shipment finance.
(d) What do you mean by Hybrid Financing ?
(e) What is Export processing zone ?

3. Answer any six of the following questions :
5×6=30

- (a) State the commercial documents required for carrying out import trade. 5
(b) Briefly elaborate the factors determining global trade financing. 5
(c) Explain in brief, the various types of hybrid financing strategies. 5

- (d) What is meant by Export bill purchase ?
Highlights the scope of export bill purchase. 2+3=5
- (e) Briefly explain any five institutions which provide shipment finance. 5
- (f) State the functions of Export Credit Guarantee Corporation of India. 5
- (g) Explain the role of WTO in promoting Global trade. 5
- (h) What is Market expansion strategy ? State the importance of market expansion strategy. 2+3=5
- (i) Elaborate how Export Councils and Boards are promoting export from India. 5

4. Answer any *two* of the following questions :

10×2=20

- (a) State the objectives of India's Foreign trade policy.
- (b) Briefly explain the various types of Letter of credit.
- (c) What is Logistic financing ? Discuss the challenges of logistic financing for the promotion of export in India. 2+8=10

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5. Answer any *one* of the following questions :

14×1=14

- (a) "Exporting goods to abroad needs to be followed some systematic procedures". Elaborate the procedures involved in export trade. 14
- (b) What is pre-shipment finance ? Briefly explain the various forms of pre-shipment finance. 2+12=14

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