

Instructions to Candidates

You are allowed **additional fifteen minutes** for **only** reading the question paper.

You must **NOT** start writing during reading time.

There are **13** questions in the paper. All questions are compulsory.

Section A has **sixteen subparts** which are very short answer questions.

While attempting **Multiple Choice Questions** in Section A, you are required to **write only ONE option as the answer.**

Section B has **eight questions** which are short answer questions.

Section C has **four questions** which are long answer questions.

Internal choices have been provided in **two questions in Section B** and **in one question in Section C.**

The intended marks for questions are given in brackets [].

SECTION A - 16 MARKS

Question 1

- (i) The payment method most often used in international trade which offers the exporter [1]
the best assurance of being paid for the products sold internationally.
(a) Bill of lading (b) Letter of credit (c) Open account (d) Drafts
- (ii) Which of the following is not an advantage of exporting? [1]
(a) Easier way to enter into international markets.
(b) Comparatively lower risks.
(c) Limited presence in foreign markets.
(d) Less investment requirements.
- (iii) The WTO was established to implement the final act of the Uruguay Round [1]
Agreement of:
(a) MFA (b) GATT (c) TRIP (d) UNO
- (iv) The principle of indemnity is not applicable to: [1]
(a) Fire insurance (b) Marine insurance (c) Life insurance (d) Property insurance
- (v) The risk of bad debts in _____ business is eliminated, particularly when [1]
payment is received through VPP.
(a) Tele shopping (b) Mail order trading house
(c) Departmental store (d) Cooperative store
- (vi) Assertion: The principle of contribution applies if the insured has taken multiple [1]
insurance policies for the same risk.
Reason: The insured can make profit from a loss by having multiple insurance
policies.
(a) A is true, and R is the correct explanation of A.

(b) A is true, but R is not the correct explanation of A.

(c) A is true, but R is false.

(d) A is false, but R is true.

(vii) Big Bazar is a network of retail shops owned and controlled by the Future Group. [1]

These stores have similar appearance and sell similar goods. Goods to all stores are supplied from head office and sold at similar prices. Name this type of retail shops.

(viii) Identify the external causes of business risk from the image shown below: [1]



(ix) Study the relation between first and the second words given below and fill in the fourth [2]
word on that basis.

(a) Small scale retailers: Pedlars:: Large scale retailers: _____

(b) BSE Sensex: Bombay Stock Exchange:: Nifty: _____

(x) An _____ is a formal acceptance by the buyer of the offer made by the seller in [1]
his quotations.

(xi) Name the type of fixed shops from which the buyer can get an article with the help of [1]
a machine.



(xii) State whether the following are TRUE or FALSE. [2]

(a) Political relations between different countries do not affect internal trade.

(b) Declaration that the particulars given in the shipping bill are in conformity with the indent.

(xiii) The insurer undertakes to put the insured, in the event of loss, in the same position [1]
that he occupied before the event. Which principle of insurance is referred to in this statement?

(xiv) In a _____, various goods are sold under one roof by grouping them into different [1]
departments.

SECTION B - 32 MARKS

Question 2

- (i) Anju gets her house (worth ₹ 10,00,000) insured from three insurance companies, A- ₹ 2,00,000; B - ₹ 2,00,000; C - ₹ 6,00,000. At the time of incurrence of loss, the compensation will be paid by insurance companies in the ratio of 1:2:3.

(a) Identify and explain the principle being referred here.

(b) Can Anju take insurance policy from three companies. If so, what do you call such insurance?

OR

- (ii) Given below is the image of an insurance policy.



(a) Identify the insurance policy.

(b) Name its most popular insurance policy.

(c) Explain the importance of the policy mentioned in (a).

Question 3

Write short notes on:

[4]

- (i) Certificate of Origin
- (ii) Obtaining Customs Clearance
- (iii) IEC Number
- (iv) Bill of Lading

Question 4

Enumerate any four distinctions between internal trade and external trade.

[4]

Question 5

No country is self sufficient and there are differences in the quantity and quality of domestic resources available in different countries. Therefore, every country produces only those goods in which it has comparative cost advantage. In the light of this statement, explain any four difficulties faced in foreign trade.

[4]

Question 6

Write short notes on:

[4]

- (i) Catalogue and List Price
- (ii) Trade Discount and Cash Discount
- (iii) Enquiry and Quotation
- (iv) Advice Note and Delivery Note

Question 7

Given below is the picture of two speculators of a stock market.

[4]



- (i) Identify and explain these speculators.
- (ii) What do you mean by speculation?

Question 8

Despite the steady rise of e-commerce, the offline retail industry is exhibiting strong growth with a projected growth rate of 10% putting India ahead of China by 2025. Studies in the year 2016 have shown that the Indian retail sector is projected to double from \$600 Billion to \$1 Trillion by 2020.

There is still a great deal that a physical store can offer to their customers. The touch and feel experience that only a physical store can deliver still remains irreplaceable. The question that persists, however, is how are physical stores going to build on this advantage by building better experiences.

The objective of a designed layout is to encourage customer exploration and send them on a specified route/journey as they walk down through the store. Retailers set this experience by either using predefined layouts (commonly used) or customize it based on the path that you would like your customers to move through.

Explain any four factors affecting the establishment of a retail outlet.

Question 9

- (i) Analyse the picture given below and answer the questions that follows:

[4]



- (a) Expand WTO
- (b) What is WTO?
- (c) State any four objectives of WTO.

OR

- (ii) Explain giving examples:

- (a) What is meant by insurable insurance?

(b) What kind of risks are non-insurable?

SECTION C - 32 MARKS

Question 10

- (i) Given below is a picture of a person intending to do the export trade. As an experienced exporter, help this person in completing the customs formalities by answering the following questions. [5]



- (a) Name the agent who perform the customs formalities on behalf of the exporter.
(b) Explain the procedure for obtaining a shipping order.
(c) What is Dead Freight and Charter Party?

- (ii) [3]



The picture depicts an image of the captain of the ship.

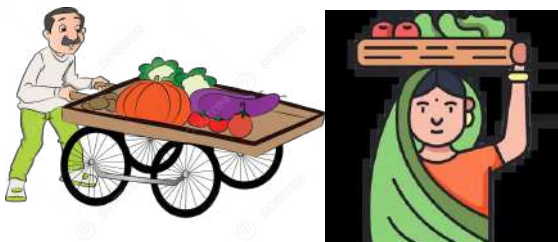
- (a) Name the receipt issued by the captain of the ship at the time of export.
(b) Explain the meaning of the receipt mentioned in (a).
(c) Explain the two types of receipt mentioned in (a).

Question 11

- (i) What is a Chamber of Commerce? State any four functions of it. [5]
(ii) Enumerate any three distinctions between Chamber of Commerce and Trade Association. [3]

OR

- (iii) [5]



Given above are two pictures of internal trade.

- (a) What type of internal trade is this?

(b) Explain the type of internal trade mentioned in (a).

(c) Identify and explain the types of traders shown in the above picture.

(iv) Explain the three types of wholesaler. [3]

Question 12

(i) Explain any five functions of export trade. [5]

(ii) What is fidelity insurance? Explain its importance. [3]

Question 13

Import trade involves purchasing goods from a foreign country. Goods may be imported either directly or through certain agents. In India and most other countries, the Government regulates imports. Import trade procedure differs from country to country depending upon the foreign trade policy of a country. The procedure of importing goods into India is guided by the rules and regulations laid down by the Government of India. The Government of India announces from time to time a list of goods which can be imported by obtaining a general permission under the system of a OGL

(i) Expand OGL. [1]

(ii) Do an importer requires to obtain import licence. Explain [2]

(iii) Who issue this import licence? [1]

(iv) What is the procedure for obtaining the import licence? [2]

(v) Identify and explain the certificate issued to an established importer. [2]
