1. Product _____ is the primary function of the exporter.
   (a) Planning  (b) Development  
   (c) Marketing  (d) Packaging  
2. _____ provides information of the product and matters related to the product being exported.
   (a) Labelling  (b) Marking  
   (c) Packing  (d) Positioning  
3. _____ refers to symbols printed on export packages.
   (a) Marking  (b) Packaging  
   (c) Branding  (d) Designing  
4. Formula : FOB Price =
   (a) FOB Cost + Profit – DBK  
   (b) All the expenses until goods loaded on ship + Freight + Profit – Incentive  
   (c) All the costs until goods loaded on board the ship + Freight + Insurance – Incentive  
   (d) FOB Expenses + Customs @ port of destination – DBK  
5. Formula : C&F Price =
   (a) All expenses until goods loaded on board the ship + Freight + Profits – DBK  
   (b) C&F Price + Marine Insurance  
   (c) CIF Price - Profits  
   (d) C&F Costs + Customs@ port of destination + Profits  
6. Formula : CIF Price =
   (a) FOB Price + Incentives  
   (b) CIF Costs + Profits – DBK  
   (c) C&F Price – Marine Insurance  
   (d) FOB Costs + Customs @ port of destination + Profits
7. Export quotation is ______.
   (a) an offer made by importer to exporter in reply to exporter’s query
   (b) commercial invoice
   (c) an offer made by exporter to importer in reply to importer’s query
   (d) Importer’s Bill

8. Under FOB quotation, which among the following is not a responsibility of the exporter?
   (a) Expenses upto goods loaded on board the ship
   (b) Production Management
   (c) Customs at port of Shipment
   (d) Freight Expenses

9. Under C&F quotation, which among the following is not a responsibility of the exporter?
   (a) Expenses upto goods loaded on board the ship
   (b) Production Management
   (c) Payment of Marine Insurance
   (d) Payment of Freight expenses

10. Under CIF quotation, which among the following is not a responsibility of the exporter?
    (a) Expenses upto goods loaded on board the ship
    (b) Marine Insurance
    (c) Customs at port of Destination
    (d) Freight Expenses

11. ______ gives an identity to the exporter and its brands sold in foreign markets.
    (a) Branding          (b) Marking
    (c) Labelling         (d) Packaging

12. ______ helps to distinguish the company’s brand among its competitors.
    (a) Brand name        (b) Company name
    (c) Product marking   (d) Product price

13. Product price is not directly affected by ______.
    (a) Costs              (b) Product nature
    (c) Competitor’s prices (d) Quota restrictions

14. INCO terms refer to ______.
    (a) International Commercial Terms
    (b) In-trade Commercial Terms
    (c) Interim Compensation
    (d) International Company
15. The main objective of export pricing is ______.
   (a) Maximizing the profits  
   (b) Applying for Government incentives  
   (c) Ease in documentation  
   (d) Facilitates distribution

16. Product mix is ______.
   (a) a specific category of product line  
   (b) a range of companies’ offerings  
   (c) a part of product depth  
   (d) a restricted line of companies’ offerings

17. ______ among the following is not an element of branding.
   (a) Brand name  
   (b) Logo  
   (c) Brand colour  
   (d) Country of origin mark

18. Packaging helps in ______.
   (a) Protection against damages  
   (b) Preservation of quality  
   (c) Promotion of product  
   (d) All of the above

19. ______ refers to creating a distinct image in the minds of the audience towards a specific brand.
   (a) Positioning  
   (b) Promotion  
   (c) Packaging  
   (d) Product Labelling

20. Product promotion in export business is mainly done through ______.
   (a) Advertising  
   (b) Publicity  
   (c) Salesmanship  
   (d) Participation in trade-fairs and exhibitions

21. EU requires labelling requirement in ______ language/s.
   (a) one  
   (b) two  
   (c) three  
   (d) four

22. EU needs ______ packaging requirements.
   (a) Eco-friendly  
   (b) Thermoformed  
   (c) Laminated  
   (d) Corrugated

Ans: (1) - (a), (2) - (a), (3) - (a), (4) - (a), (5) - (a), (6) - (b), (7) - (c), (8) - (d), (9) - (c), (10) - (c), (11) - (a), (12) - (a), (13) - (d), (14) - (a), (15) - (a), (16) - (b), (17) - (d), (18) - (d), (19) - (a), (20) - (d), (21) - (d), (22) - (a)
1. _______ is a longer channel of distribution in export business.
   (a) Direct channel     (b) Indirect channel
   (c) Latitudinal channel (d) Longitudinal channel

2. _______ helps to distribute export goods only through government agencies.
   (a) Co-operatives      (b) Canalizing Agencies
   (c) Customs Officials  (d) Consortiums

3. _______ distribution channel reduces per unit cost of the product in export business.
   (a) Direct             (b) Indirect
   (c) Variance distribution (d) Binomial distribution

4. Logistics in export marketing does not cover _______ aspect.
   (a) Packaging          (b) Warehousing
   (c) Material handling  (d) Advertising

5. _______ helps to co-ordinate moving of resources with the help of people, equipment and technology.
   (a) Logistics          (b) Human Resource Management
   (c) Marketing          (d) Research

6. _______ covers financial risks in export business.
   (a) Insurance          (b) Transportation
   (c) Communication      (d) Warehousing

7. _______ is the most convenient and cost effective mode of transport in export business.
   (a) Roadways           (b) Railways
   (c) Seaways            (d) Airways

8. _______ is not an element of promotion.
   (a) Publicity          (b) Sales Promotion
   (c) Sponsorship        (d) Product
9. ______ is a sales promotion tool.
   (a) Discounts  (b) Premium price
   (c) Perceived product  (d) Sponsorship

10. Trade fairs and exhibitions help the exporters in ______.
    (a) buying import products  (b) promoting export products
    (c) exploring new markets  (d) developing new products

11. Personal selling is also known as ______.
    (a) Salesmanship  (b) Sponsorship
    (c) Sales-Promotion  (d) Public Relations

12. ______ is a paid form of non-personal presentation of export goods by
    the exporter.
    (a) Packaging  (b) Publicity
    (c) Advertising  (d) Sales Promotion

    (a) Marine  (b) Life
    (c) Medical  (d) Health

14. ______ premium helps to cover risks occurred due to perils of the sea.
    (a) Marine  (b) Price
    (c) Freight  (d) Port

15. ______ is not a marine insurance policy.
    (a) Hull insurance  (b) Time insurance
    (c) Voyage plan  (d) Umbrella insurance

16. ______ is a warehousing type that holds zero-inventory, where
    products are received, processed and shipped to exporting countries.
    (a) Cross-docking  (b) Near-shore
    (c) Off-shore  (d) Horizontal

17. ______ is a group of exporters who form trading association for mutual
    distribution benefits.
    (a) Canalizing agency  (b) Consortium
    (c) State Corporation  (d) Manufacturing exporters

18. ______ is a promotion element that uses short term tactic to persuade
    the importers to make purchases.
    (a) Trade fairs and exhibitions  (b) Sponsorships
    (c) Sales-promotion  (d) Salesmanship

19. ______ characteristics influence the choice of distribution channels
    in export marketing.
    (a) Customer  (b) Global
    (c) Employee Morale
20. Under _______ marketing, the manufacturer makes own arrangement to distribute the goods.
(a) Indirect  (b) Direct  (c) Regional

21. One star export house has to achieve export performance of FOB worth _______ US $ million during the current year and previous two years.
(a) 25  (b) 100  (c) 3

22. _______ refers to quality of service which a firm provides to its customers.
(a) Customer Order Processing  (b) Customer Service Standards  (c) Customer Feedback

23. A _______ warehouse keeps the products for a relatively long period of time.
(a) Storage  (b) Distribution  (c) Bonded

24. _______ refers to the amount of space available for storing materials on a ship or on a plane.
(a) Storage  (b) Logistics  (c) Stowage

25. _______ risks takes place on account of insolvency of the buyer.
(a) Political  (b) Commercial  (c) Legal

26. _______ is an example of consumer oriented sales promotion technique.
(a) Free Sample  (b) Trade Discounts  (c) Performance Incentives

27. Participation in _______ helps in demonstrating the product to the prospective customers.
(a) Sports Events  (b) Trade Fairs  (c) Dramas

28. _______ helps in obtaining leads of prospective buyers.
(a) Advertising  (b) Publicity  (c) Personal Selling

Ans: (1) - (b), (2) - (b), (3) - (a), (4) - (d), (5) - (a), (6) - (a), (7) - (c), (8) - (d), (9) - (a), (10) - (b), (11) - (a), (12) - (c), (13) - (a), (14) - (a), (15) - (d), (16) - (a), (17) - (b), (18) - (c), (19) - (a), (20) - (b), (21) - (c), (22) - (b), (23) - (a), (24) - (c), (25) - (b), (26) - (a), (27) - (b), (28) - (c)
CHAPTER - 3 : EXPORT FINANCE

MULTIPLE OBJECTIVE QUESTIONS

1. _______ goods are sold on deferred credit basis.
   (a) Capital    (b) Consumer
   (c) FMCG      (d) Deferred

2. The main purpose of packing credit is to meet _______ capital needs of exporters.
   (a) Fixed      (b) Working
   (c) Regular    (d) Interim

3. A major part of export finance is provided by _______ banks.
   (a) commercial (b) agricultural
   (c) industrial  (d) co-operative

4. _______ finances Indian joint ventures in foreign countries.
   (a) EXIM        (b) NABARD
   (c) SIDBI       (d) ECGC

5. _______ has its head office in Lucknow.
   (a) SIDBI       (b) RBI
   (c) EXIM        (d) EPC

6. _______ provides finance to entrepreneurs for setting up tourism related activities.
   (a) SIDBI       (b) ECGC
   (c) EPCG        (d) EPC

7. SIDBI provide direct finance to obtain _______ certification.
   (a) ISO 9000   (b) Quality
   (c) ISI        (d) Six-sigma

8. Political risks can be covered under _______ policies.
   (a) ECGC       (b) LIC
   (c) RBI        (d) Marine

9. _______ backs the lending programme of banks, by issuing financial guarantees.
   (a) ECGC       (b) EPCG
   (c) LIC        (d) CoC

10. There are high risks in _______ payment method.
    (a) Advance payment (b) LC
    (c) Open account    (d) Bills of exchange
11. Packing credit is also known as _______ finance.
   (a) pre-shipment (b) post-shipment
   (c) capital (d) fixed

12. _______ refers to export trade for which export proceeds are received in form of other products in exchange of forex.
   (a) Countertrade (b) Entrepot
   (c) Position trade (d) Swing trade

13. EXIM finances _______ term loans.
   (a) Long (b) Short
   (c) Fixed (d) Micro

14. ECGC is owned and governed by _______.
   (a) Government of India (b) Cooperatives
   (c) Traders (d) Corporations

15. SIDBI provides _______.
   (a) Pre-shipment finance (b) Post-shipment finance
   (c) Financing bank schemes (d) All of the above

16. Which among the following is not a type of LC?
   (a) Advance payment (b) Revocable
   (c) Confirmed (d) Transferable LC

17. _______ LC cannot be modified or cancelled without the consent of the exporter.
   (a) Revocable (b) Irrevocable
   (c) Stand-by (d) Back-to-back

18. _______ LC is the safest LC in export business.
   (a) Confirmed (b) Revocable
   (c) Unconfirmed (d) Non-transferable

19. _______ is a negotiable instrument that provides payment to the exporter.
   (a) Bills of exchange (b) Bills of shipping
   (c) Bills of invoice (c) Bills in trade

20. Period of pre-shipment finance is _______ days.
   (a) 45 (b) 90
   (c) 180 (d) 360

21. _______ finance is also referred to as packing credit.
   (a) Pre-shipment (b) Post-shipment
   (c) Long-term

22. Post-shipment finance is generally available for a period of _______ days.
   (a) 180 (b) 360
   (c) 90
23. ______ provides medium term and long term export finance to small units.
   (a) EXIM Bank     (b) SIDBI
   (c) ECGC
24. Packing credit is generally provided for a period of ______ days.
   (a) 90           (b) 180
   (c) 380
25. ______ is the safest method of payment in international trade.
   (a) Documents against Acceptance
   (b) Deferred credit
   (c) Letter of credit
26. Generally, there are ______ parties involved in letter of credit.
   (a) 6               (b) 3
   (c) 2
27. Under ______ method, the documents are released to the importer against payment of bills.
   (a) Documents against Acceptance
   (b) Letter of Credit
   (c) Documents against Payment
28. ______ covers credit risks of the exporters.
   (a) ECGC     (b) EXIM Bank
   (c) Marine Insurance
29. ______ policy of ECGC covers risks in the case of consumer goods.
   (a) Specific (b) Standard
   (c) Services
30. Commercial risks include ______.
   (a) risks due to war
   (b) insolvency of the buyer
   (c) risks due cancellation of import licence

Ans: (1) - (a), (2) - (b), (3) - (a), (4) - (a), (5) - (a), (6) - (a), (7) - (a), (8) - (a),
(9) - (a), (10) - (c), (11) - (a), (12) - (a), (13) - (a), (14) - (a), (15) - (d),
(16) - (a), (17) - (b), (18) - (a), (19) - (a), (20) - (c), (21) - (a), (22) - (c),
(23) - (b), (24) - (b), (25) - (c), (26) - (a), (27) - (c), (28) - (a), (29) - (b),
(30) - (b)
CHAPTER - 4: EXPORT PROCEDURE AND DOCUMENTATION

MULTIPLE OBJECTIVE QUESTIONS

1. Exporter has to register with one of the following authorities.
   (a) RBI           (b) EXIM bank
   (c) DGFT          (d) ECGC

2. The exporter gets ______ from DGFT.
   (a) IEC number   (b) PAN number
   (c) Aadhaar number (d) Credit number

3. Let export order is received from the Customs ______.
   (a) Preventive Officer (b) Examiner
   (c) Superintendent    (d) Custom officer

4. Mate’s Receipt is issued by ______.
   (a) Customs         (b) Captain of the Ship
   (c) Importer        (d) Inspection agency

5. The CHA is also known as ______.
   (a) C&F agent       (b) Consignor
   (c) Customs official (d) Shipping company

6. The CHA submits the relevant export documents to the ______ for the purpose of verification.
   (a) RBI            (b) SIDBI
   (c) Customs house  (d) Shipping company

7. The CHA has to obtain ______ from the Port Trust Authorities.
   (a) Commercial invoice (b) Let Export order
   (c) Let Ship order    (d) Carting order

8. Customs Preventive Office issues ______ order.
   (a) Let Export       (b) Let Ship
   (c) Carting          (d) Mate’s

9. The shipping bill is made in ______ copies.
   (a) one           (b) three
   (c) five          (d) seven

10. Bill of lading is issued by ______ company.
    (a) transport     (b) shipping
    (c) warehousing   (d) outsourcing
11. The export proceeds realization in India should take place within ______ days.
   (a) 91  (b) 201  (c) 360  (d) 421

12. ______ indicates the country in which the goods are manufactured.
   (a) Consular invoice  (b) Certificate of Origin  
   (c) Commercial Invoice  (d) Shipping Bill

13. Consular invoice is issued in ______ copies.
   (a) one  (b) three  (c) five  (d) seven

14. ______ gives title to the goods in export business.
   (a) Bills of exchange  (b) Bill of lading  
   (c) Shipping bill  (d) Commercial bill

15. ______ is an export document that gives the consignment details to the exporter.
   (a) Mate’s receipt  (b) Packing list  
   (c) Packing credit  (d) Certificate of origin

16. ______ Shipping bill is not an export document.
   (a) Coastal  (b) Dutiable  
   (c) Ex-bond  (d) DBK

17. Certificate of origin can be issued by ______.
   (a) EXIM  (b) EPC  
   (c) SIDBI  (d) ECGC

18. Consular invoice is issued by ______.
   (a) Consulate officer  (b) Customs officer  
   (c) CHA  (d) Importer

19. ______ bill is a proof issued by Airline Company that indicates title to the goods for the contract of carriage.
   (a) Airway  (b) Packing  
   (c) Lading  (d) Cargo

20. ______ is an important document required for realization of export proceeds.
   (a) GR Form  (b) ARE-1 Form  
   (c) Shipping Bill  (d) Packing List

21. A status holder exporter obtains ______ from FIEO.
   (a) IEC  (b) Mate’s Receipt  
   (c) RCMC  (d) Shipping Bill
22. _______ is required to get the goods inside the docks for the purpose of examination of goods.
   (a) Let Export Order          (b) Bill of Lading
   (c) Carting Order

23. _______ is the basic document required in exports.
   (a) Commercial Invoice        (b) Certificate or Origin
   (c) Consular Invoice          (d) Bill of Lading

**Ans:** (1) - (c), (2) - (a), (3) - (b), (4) - (b), (5) - (a), (6) - (c), (7) - (d), (8) - (b), (9) - (c), (10) - (b), (11) - (c), (12) - (b), (13) - (b), (14) - (b), (15) - (b), (16) - (a), (17) - (b), (18) - (a), (19) - (a), (20) - (a), (21) - (c), (22) - (c), (23) - (a)