UPES
THE NATION BUILDERS UNIVERSITY

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES

College of Management & Economics Studies

Kandoli Campus, Dehradun

End Semester Examination – May, 2017

Program/course: MBA (IB)	**Semester**	**: II**
Subject: International logistics and Supply Chain Management	**Max. Marks**	**: 100**
Subject Code: MBCG863	**Duration**	**:3 Hrs**
No. of pages: 4		

Note: All sections are compulsory & this question paper carries 3 sections.

Section – A (20 Marks)

Attempt all questions in this section, each carries 1 mark

Q-1 a. Fill in the blanks- **(1*10)**

1. The specialized containers used in air transport are known as ____________.
2. __________are ships that ply fixed routes on published schedules.
3. _____________ is the total capacity of the ship i,.e max weight of cargo ship can carry.
4. ________is a declaration or intimation issued by an officer of a vessel whereby he indicates that the goods have been received on board on his vessel for shipment to destined country or port of destination
5. __________ is the combining of small components (or units) of a load into a single larger unit.
6. The most significant adaptation of a vessel for container use was made in 1956 by______________, creator of Sea Land Corporation.
7. _________ is an example of intellectual property right.
8. No ship can leave the territorial water of a country, till it does not file ________ and get the exit outward order from the customs department of the departure country.
9. In some cases importing countries insist on legalization or visaed commercial invoice and such invoices known as _________
10. A _________ is an agreement between two or more parties that creates an obligation on all parties to perform (or not perform) a particular action or set of related actions.
11.

Q-1b. Write the Full forms- **(1*10)**

1) RTG
2) DGCA

3) UNCTAD
4) ASEAN
5) VMI
6) NVOCC
7) MTO
8) CISG
9) BOLERO
10) IGM

Section – B (20 Marks)

Attempt any four questions in this section, each carries 5 marks

Q-2 Write short notes on the following (4*5=20 Marks)

a. Key Performance Indicators (KPIs) with example.
b. Bill of Entry
c. Responsive supply chain with example.
d. Bonded Warehouse
e. NVOCCs

Section – C (30 Marks)

Attempt any three questions in this section, each carries 10 marks (3*10=30 Marks)

Q.3. Explain in details the different drivers of Supply Chain performance.

Q.4. What is a negotiable bill of lading? Explain the characteristics of negotiable bill of lading.

Q.5. Explain in detail the letter of credit and its importance in International trade.

Q.6.What are the factors which need to be considered for International procurement?

Section – D (30 Marks)

There are two questions in this section, each carries 15 marks

Q.7. What are ICDs and how they are different from sea ports? What is the importance of an ICD in International transportation? What are different facilities offered at ICDs? (15 Marks)

Q.8. Caselet-

Company ABC Ltd. in India is in the business of importing components (kits) and assembling them for re-export as a finished product(units). The components are imported from XYZ Inc.(US company) in CKD form at the rate of $ 120 per kit and the finished product is sold globally to many customers at the rate of $ 180 per unit. The kits are imported in container loads of 10000 kits per month. In view of the high volume of business ABC has been having difficulty in meeting their working capital requirements and the competitive market does not leave flexibility to ABC for raising working capital at high rates from the open market. Getting adequate orders for their product is not a constraint.

To cover their working capital needs ABC has negotiated Packing Credit facility from their bank to the tune of $ 1000000 at 7% p.a., but continue to face working capital constraints since this does not meet their needs completely.

ABC has now been contacted by a new customer (PQR Gmbh. In Germany) who is willing to order 2500 units per month of the product and is also willing to give a lump sum advance of $2000000 for one year but expects to be paid interest at 9% p.a. on the outstanding advance (total order for 30000 units).

XYZ has also agreed to extend credit of 3 months on kit purchases for the monthly purchase of kits, but expects compensation as interest on the credit at 10% p.a.. ABC normally borrows working capital from their bank at 12% p.a.. Interest rate payable by XYZ in US is 3% p.a. while that payable by PQR in Germany is 5% p.a..

At the time of negotiation of the new order with PQR, ABC has drawn $ 720000 as packing credit against their existing orders with earlier customers and are operating overdraft facility fully to the extent of Rs. 20 crores.

Given that ABC can forward purchase/ book $ from the bank to pay back credit obtained from buyers/ sellers and the Rupee vs. $ buying rate (selling rate for the bank) prevailing on date is:

Spot	Rs. 64.00
1 or 2 months	Rs. 64.20
3 or 4 months	Rs. 64.40
5 or 6 months	Rs. 64.60

7 or 8 months Rs. 64.80

9 or 10 months Rs. 64.00

11 or 12 months Rs. 64.20

Please evaluate the following: (15 Marks)

1. Assuming there is no impact of customs duty in India and Germany, what is the likely commercial differential benefit to ABC, PQR and XYZ if the entire deal goes through?