



**SI No of Q.P 5540**

Unique Paper Code(UPC) : 2923062010  
Name of the Paper : International Trade and Documentation (DSE)  
Name of the Course : Bachelor of Management Studies (BMS)  
Semester : III/V  
Duration : 3 hours  
Maximum Marks : 90 Marks

**Instructions:**

- a) Answer any 5 questions.
- b) All parts of the same question must be attempted together.

Q1. (a) Two countries, Alpha and Beta, each produce two goods — Textiles and Machinery — using only labour. Each country has 2,400 total labour hours available. Assume labour is the only input and production shows constant returns to scale. The total labour required to produce the given output of each good is shown below:

Country	Labour required to produce 300 units of Textiles	Labour required to produce 100 units of Machinery
Alpha	1,200 hours	1,200 hours
Beta	800 hours	1,600 hours

- (i) Elaborate which country has an absolute as well as comparative advantage for both products and show the likely pattern of trade. (6 marks)
- (ii) Calculate the equilibrium terms of trade (price range) for *1 unit of Machinery in terms of Textiles* that would make trade mutually beneficial for both Alpha and Beta.(3 marks)
- (iii) Assess numerically that if specialisation occurs, both countries benefit from trade . (3 marks)

(b) You are auditing a mid-sized exporter's financials. Explain how *Duty Drawback* and *Duty Exemption Schemes* affect cost structures and pricing strategies in international markets. Suggest compliance steps to ensure eligibility.(6 marks)

Q2. (a) The 2023–28 Foreign Trade Policy (FTP) emphasises “from incentive to remission.” Critically evaluate how this shift aligns with *Make in India*, *Atmanirbhar Bharat*, and India's integration into global value chains. (12 marks)

(b) What factors determine ‘Terms of Trade’, and how does it affect the welfare of a trading nation? (6 marks)

Q3 (a) Export incentives often face criticism for distorting trade. Examine this argument in the context of schemes such as *MAI*, *MDA*, *SEZs*, and *Advance Authorisation*. Do you think such support is still relevant for achieving export competitiveness? (12 marks)

(b) Evaluate the changing role of *Export Promotion Councils (EPCs)* in a digital export ecosystem. (6 marks)

Q4. (a) A firm has received a confirmed export order for engineering goods. Prepare a step-by-step outline showing how this order would be processed from receipt to realisation of payment. (12 marks)

(b) Critically examine the 100% Export Oriented Units (EOUs). (6 marks)

Q5. (a) Give a detailed account of export documentation. (12 marks)

(b) Assess the rationale behind the *Vishesh Krishi and Gram Udyog Yojana (VKGUY)* and its potential revival for rural exporters. (6 marks)

Q6. Write short notes on (any 3) –

(3 x 6 = 18 marks)

(a) Non-Tariff barriers

(b) India's Balance of Payment (BoP)

(c) Factor price equalisation theorem

(d) Dumping and anti-dumping measures

Q7. (a) Classical and modern theories of international trade—such as Absolute Advantage, Comparative Advantage, and the Heckscher–Ohlin Model—are built on simplifying assumptions about production, factor mobility, and market behaviour. Critically evaluate the assumptions underlying these theories and discuss their relevance in today's globalised economy. (9 marks)

(b) India's *Foreign Trade Policy* recognises certain domestic supplies as "Deemed Exports." Explain the meaning and rationale of deemed exports in India's trade framework. (9 marks)