



ICM

SEPTEMBER 2015

INTERNATIONAL TRADE & PAYMENTS II

Instructions to candidates:

- a) Time allowed: Three hours (plus an extra ten minutes' reading time at the start – do not write anything during this time)
 - b) Answer any FIVE questions
 - c) All questions carry equal marks. Marks for each question are shown in []
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- 1. Quotations for overseas buyers tend to have a standard content. Review the typical content of a quotation for an overseas buyer. [20]
 - 2. Explain the main forms of credit insurance cover and comment on their significance in the system of international trade. [20]
 - 3. Explain why a country might wish to control the export of goods to overseas markets and assess the potential impact of such a policy. [20]
 - 4. 'The system of global trading continues to be affected by the large amount of debt facing, in particular, developing countries.' Analyse this comment. [20]
 - 5. Explain what **incoterms** are and assess their significance to the system of international trade. [20]
 - 6. Explain what a **performance guarantee** is and review the circumstances in which it should be used. [20]
 - 7. Forfaiting continues to play an important role in supporting the system of international trade. Assess the contribution of **forfaiting** to international trade. [20]
 - 8. Assess the purpose and importance of **red clause credits** and **standby credits**. [20]