



ICM

DECEMBER 2016

INTERNATIONAL TRADE & TRANSPORT

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 []
1. List the TEN factors that are the basis for comparing the differences between the UK and overseas markets, with a brief explanation for EACH. [2 each]
 2.
 - a) Using a diagram, show the different pricing strategies from the minimum accepted to the maximum that can be obtained. [10]
 - b) Explain the difference between skim pricing and penetration pricing strategies. [10]
 3. Incoterms are divided into four groups: Group E – Departure; Group F – Main Carriage Unpaid; Group C – Main Carriage Paid and Group D – Arrival. List and explain the terms for EACH group. [5 each]
 4.
 - a) The International Standards Organisation (ISO) has a range of standardised pictorial handling marks. Describe the seven highlighted in diagram form in the reference text. [10]
 - b) What are the THREE criteria exporters should adhere to when marking consignments? [10]
 5. List and explain the different packing methods and consignment marking used in transport and logistics. Use diagrams to illustrate your answer. [20]
 6. In managing risk there are THREE major risks. List them with an explanation of EACH. [20]
 7. Explain the difference between:
 - a) an irrevocable letter of credit
 - b) a revocable letter of credit
 - c) a transferable letter of credit
 - d) a revolving letter of credit[20]
 8. Give an explanation for the following terms:
 - a) Tax
 - b) Excise
 - c) Levy
 - d) License
 - e) Quota[4 each]