MARCH 2017

EXPORT PRACTICE & MANAGEMENT

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. Setting up a business in an overseas country requires the adoption of a carefully planned and structured approach. Explain the steps that you would take to establish a trading operation in an overseas country. [20]

2. Evaluate the significance of cash flow recording and analysis for an exporter. [20]

3. There are a number of types of business structure that an exporter could adopt. Review the main options available. [20]

4. Explain the approach, and the value to an exporter, of adopting a policy of writing down the value of their fixed assets over a specified time period. [20]

5. Identify and review the features and characteristics of exporting which are commonly considered to distinguish it from other methods of trading. [20]

6. The terms of a price agreement between an exporter and an importer will be a key area of negotiation. Review the key issues that will typically feature in a price agreement. [20]

7. Critically evaluate the concept of the working capital cycle and review how it supports an exporter. [20]

8. An exporter will incur a wide range of costs through their business activities. Explain the main types of costs that will be incurred. [20]