



# ICM

MARCH 2017

INTERNATIONAL TRADE & PAYMENTS I

**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. Analyse the significance of **export houses** and **buying houses** in supporting the activities of importers and exporters. [20]
  2. Explain what **commodity markets** are and evaluate their contribution to the system of international trading. [20]
  3. Credit insurance cover is a key area for attention by an exporter. Analyse the main forms of credit insurance cover available to support an exporter. [20]
  4. Analyse EACH of the widely recognised forms of risk in international trading. [20]
  5. Invisibles form a key component of the balance of payments account of a country. Explain the main categories of invisibles. [20]
  6. Explain the content that you would expect to see in a model specimen bill of exchange. [20]
  7. 'Accepting a letter of credit is a process which requires care and scrutiny.' Review the main safeguards that should be followed by an exporter when accepting a letter of credit. [20]
  8. Explain what you would expect to see by way of content in a typical overseas shipment quotation. [20]