"MANAGEMENT IS EFFICENCY IN CLIMBING THE LADDER OF SUCCESS"

QUSESTION BANK ON FOREGIN TRADE MANAGEMENT

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FOREGIN TRADE MANAGEMENT

UNIT-I

1. What is foreign trade?
a. Local business transaction
b. Domestic trade
c. International trade
d. Internal trade

2. What are the features of foreign trade?
a. Limited to goods only
b. Involves exchange of goods and services across borders
c. Restricted to neighboring countries
d. Unaffected by economic policies

3. The importance of foreign trade includes:
a. Reduction of cultural diversity
b. Economic growth and specialization
c. Isolation from global markets
d. Strict regulation of import

4. In a historical perspective, when did India liberalize its foreign trade policies significantly?
a. 1950s
b. 1970s
c. 1991
d. 2000s

5. What are the trends in India's foreign trade?
a. Constantly increasing exports, decreasing imports
b. Fluctuating balance of trade
c. Consistent trade surplus
d. Stagnant growth in both exports and imports

6. Why is there a need for foreign trade?
a. To reduce unemployment
b. To enhance cultural exchange
c. To meet domestic demand efficiently
d. To strengthen national security

7.What is the composition of India's export and import?
a. Export dominated by services, import dominated by goods
b. Equal focus on goods and services in both export and import
c. Goods dominate both export and import
d. Services dominate both export and import

8. In a historical perspective, when did India liberalize its foreign trade policies significantly?
a. 1950s
b. 1970s
c. 1991
d. 2000s

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c. Goods dominate both export and import
d. Services dominate both export and import

12.The direction of India's exports and imports refers to:
a. The geographical distribution of trading partners
b. The method of transportation used
c. The time taken for customs clearance
d. The volume of trade conducted

13. When did India witness significant changes in its Foreign Trade Policy?
a. 1947
b. 1975
c. 1991
d. 2005

14. India's foreign trade since 1991 has been characterized by:
a. Increased protectionism
b. Import substitution
c. Liberalization and globalization
d. Limited focus on exports

15. Potential growth measures______.
a. the growth of the fastest economy in the world.
b. the fastest growth an economy has ever achieved.
c. the present rate of growth of an economy.
d. the rate of growth that could be achieved if resources were fully employed

16. Economic growth can be seen by an outward shift of__________.
a. the production possibility frontier.
b. the gross domestic barrier.
c. the marginal consumption frontier.
d. the Minimum Efficient Scale.

17. Free trade is based on the principle of____________.
a. comparative advantage.
b. comparative scale.
c. economies of advantage.
d. production possibility advantage.

18. Tariffs___________.
a. decrease the domestic price of a product
b. increase government earnings from tax.
c. increases the quantity of imports.
d. decrease domestic production.

19. Which of the following is not a payment method used for international trade?
a. consignment.
b. open account.
c. factoring.
d. draft.

20. Tariffs levied as a percentage of the value of the product is a________.
a. specific duty.
b. ad valorem duty.
c. anti dumping duty.
d. countervailing duty.

21. The export proceeds shall be realized in__________.
a. Any foreign currency.
b. Non- convertible currencies.
c. Convertible currency.
d. Home currency only

22. Monetary policy relates to controlling___________.
a. money supply.
b. money supply and interest rate.
c. money supply, interest rate and exchange rate.
d. credit creation by banks.

23. The foreign Trade (Regulation) Rules were passed in the year
a. 1991.
b. 1992.
c. 1993.
d. 1994.

24. Exports and Imports come under the purview of___________.
a. Ministry of Finance
b. Ministry of Commerce
c. Ministry of External Affairs
d. Ministry of Home Affairs

25. Which one of the following is not a cause but a consequence of Globalisation?
a. Integration of Markets
b. Technology and know-how
c. Greater institutionalization abroad
d. Greater Risk Exposure

26. A tariff is___________.
a. a complete ban on trade with a nation.
b. a ban on the importation of certain products from a nation.
c. an import duty.
d. a tax on goods being imported into a country.

27. When a foreign company exports and sells below the market price, it is known as_.
a. subsidies.
b. Countervailing measures.
c. Dumping.
d. Punitive barriers.

28. ______________emphasise conflicting interests in economic exchanges
a. Mercantilism
b. Neorealist
c. Liberalism
d. Keynesian economics

29. Voluntary export restraint is___________.
a. Tariff Barrier
b. Non Tariff Barrier
c. Both Tariff and Non tariff Barrier
d. Not a Trade Barrier

30. The objectives of import duty is/are____________.
a. to raise income for the government
b. to restrict imports.
c. to encourage exports.
d. to raise income and restrict imports

31. Import tariff benefits___________
a. the consumers.
b. domestic producers
c. overseas suppliers.
d. the overseas producers

32. Non- tariff trade barriers do not include_____________.
a. administrative regulations.
b. export subsidiaries
c. fiscal barriers.
d. quota.

33. Which of the following are positive reasons for internationalization?
a. Market diversification
b. Economies of scale.
c. International competitiveness
d. All of the above.

34. Which economic factors should be analysed by organizations wishing to expand in international markets?
a. Interest rates.
b. Employment.
c. Purchasing power
d. All the above

35. Tariffs include.__________.
a. decrease the domestic price of a product
b. increase government earnings from tax.
c. increase the quantity of imports.
d. decrease domestic production.

36. The terms of trade measure.____________.
a. the income of one country compared to another.
b. the GDP of one country compared to another.
c. the quantity of exports of one country compared to another.
d. export prices compared to import prices.

37. In a floating exchange rate system_________.
a. the government intervenes to influence the exchange rate.
b. the exchange rate should adjust to equate the supply and demand of the currency.
c. the balance of payments should always be in surplus.
d. the Balance of payments will always equal the government budget.

38. Duty Drawback is available for___________.
a. Import duty on imported components.
b. Central excise on indigenous components.
c. Import duty and central excise on indigenous components.
d. Import duty, central excise and VAT.

39. Investment depends mainly on.__________.
a. past levels of income .
b. future expected profits.
c. present national income levels .
d. historic data .

40. Excise duty exemption on exports is available for duty paid on___________.
a. finished products only.
b. components only.
c. finished products and components.
d. imported items.

41. Advance authorization is not available for_______________.
a. physical exports
b. service exports.
c. intermediate supplies.
d. deemed exports.

42. Under FEMA, the Reserve Bank of India has been authorized to make____________to carry out the provision of the Act.rules.
a. regulations.
b. both rules and regulations.
c. notifications.

43. Foreign exchange transactions involve monetary transactions___________.
a. among residents of the same country.
b. between residents of two countries only.
c. between residents of Two or more countries.
d. among residents of two or more countries

44. A foreign Currency account maintained by a bank abroad is its ________________
a. nostro account.
b. vostro account.
c. loro account.
d. foreign bank account.

45. ‘Non-resident Bank Account’s refer to______________.
a. nostro accounts.
b. vostro accounts.
c. accounts opened in offshore centres.
d. none of the above.

46. Non-resident bank accounts are maintained in____________.
a. the permitted currencies.
b. the currency of the country of the bank maintaining the account.
c. the currencies in which FCNR accounts are permitted to be maintained
d. Indian rupees.

47. The statutory basis for administration of foreign exchange in India is_____________.
a. Foreign Exchange Regulation Act, 1973.
b. Conservation of Foreign Exchange and Prevention of Smuggling Act.
c. Foreign Exchange Management Act, 1999.
d. Exchange Control Manual.

48. Fully fledged money changers are authorized to undertake___________.
a. only sale transactions
b. only purchase transactions
c. all types of foreign exchange transactions
d. purchases and sale of foreign currency notes, coins and travelers cheques.

49. The acronym FEMA stands for___________.
a. Foreign Exchange Management Association
b. Foreign Exchange Management Account
c. Foreign Exchange Management Act
d. None of the above

50. In India the rates of charges for foreign exchange business to be recovered by banks from their customers are determined by___.

a. Reserve Bank of India.
b. FEDAI.
c. FEDAI in consultation with IBA.
d. the bank concerned.

51. According to classification by IMF, the currency system of India falls under ______________.

a. managed floating.
b. independently floating.
c. crawling peg.
d. pegged to basket of currencies.

52. Under the original Scheme of IMF, each country was to maintain the value of its currency___________.

a. within a margin of 1% of the par value.
b. within a margin of 2.5% of the par value.
c. not more than 1% below the par value
d. exactly at the par value.

53. Euro is not a legal tender in which of the following country__________.

a. Spain
b. Greece
c. Finland
d. none of the above.

54. A ‘credit’ in balance of payments indicates___________.

a. accumulation of bank balances abroad.
b. foreign direct investment received into the country.
c. earning of foreign exchange by the country.
d. earning of foreign exchange or incurring of liability abroad or decrease in asset abroad.

55. A ‘debit’ in balance of payments does not indicate___________.

a. import of goods and services
b. foreign tourists encasing travellers cheque in the country.
c. investments made abroad.
d. none of the above.

56. The current account of balance of payment includes_____________.

a. Unilateral payments.
b. Portfolio investments.

c. short-term borrowings
d. long term borrowings

57. The current account of balance of payments does not include.________.
a. Trade in goods.
b. Trade in services.
c. Income on investments.
d. none of the above.

58. A country has a negative balance of trade. It means the balance of payments on current account___.
a. should also be negative.
b. should be positive.
c. may be positive or negative
d. should be same as balance of trade.

ANSWERS

1.c, 2.c, 3.b, 4.b, 5.c, 6.b, 7.c, 8.a, 9.c, 10.c, 11.d, 12a, 13.a, 14.b, 15.c, 16.b, 17.c, 18.c, 19.b, 20.a, 21.b, 22.d, 23.c, 24.a, 25.b, 26.d, 27.b, 28.b, 29.d, 30.d, 31.b, 32.d, 33.d, 34.c, 35.b, 36.c, 37.b, 38.b, 39.c, 40.a, 41.b, 42.d, 43.c, 44.d, 45.c, 46.d, 47.a, 48.a, 49.d, 50.d, 51.b, 52.c, 53.d, 54.c.

5 mark questions

1. Explain the meaning of foreign trade and how it differs from domestic trade.

2. Discuss the need for foreign trade and its role in a country's economic development.

3. Outline the key features of foreign trade and how they contribute to global economic interactions.

4. Elaborate on the importance of foreign trade in fostering economic growth and international relations.

5. Provide a historical perspective on India's export and import activities, highlighting key milestones.

6. Analyze the trends in India's foreign trade over the years, considering factors like globalization and technological advancements.

7. Discuss the composition of India's export and import, emphasizing the balance between goods and services.

8. Explore the direction of India's exports and imports, identifying significant trading partners and regions.

9. Examine the evolution of India's Foreign Trade Policy, with a focus on major policy

changes.

10. Assess the impact of liberalization on India's foreign trade policies since 1991.

11. Explain the role of government initiatives in shaping India's foreign trade landscape.

12. Summarize the key concepts discussed in the book "Export Import Management" by Justin Paul and Rajiv.

13. Analyze the contributions of the book in providing insights into export and import management practices.

14. Discuss any case studies or practical examples presented in the book that illustrate effective export-import strategies.

15. Provide an overview of the book "Export Management" by Kathiresan and Radha, highlighting its main themes.

16. Compare and contrast the perspectives on export management presented in this book with those in other relevant literature.

17. Evaluate the practical applicability of the concepts discussed in the book to real-world export management scenarios.

18. Compare the approaches to foreign trade discussed in "Export Import Management" by Justin Paul and Rajiv with those in "Export Management" by Kathiresan and Radha.

19. Discuss how the authors of these books address the need, features, and importance of foreign trade.

20. Evaluate the books' relevance to understanding India's export and import activities and the development of foreign trade policies.

10 mark questions

1. Provide a comprehensive definition of foreign trade and highlight its key characteristics. Explain how foreign trade differs from domestic trade.

2. Discuss in detail the reasons and the economic rationale behind the need for engaging in foreign trade. How does foreign trade contribute to a nation's economic well-being?

3. Enumerate and explain the essential features of foreign trade, emphasizing their impact on the global economy.

4. Elaborate on the importance of foreign trade in the context of economic growth, employment generation, and international relations.

5. Examine the historical development of India's export and import activities, highlighting key phases and significant events.

6. Analyze the trends in India's foreign trade over the last few decades. Identify the major

drivers of change and their implications.

7. Discuss the composition of India's export and import, considering the balance between goods and services. How has this composition evolved over time?

8. Explore the geographical direction of India's exports and imports, emphasizing major trading partners and the impact on the national economy.

9. Trace the evolution of India's Foreign Trade Policy, with a focus on major policy changes and their objectives.

10. Evaluate the impact of liberalization on India's foreign trade policies since 1991. How have these policies influenced the country's trade dynamics?

11. Discuss the role of government interventions and initiatives in shaping India's foreign trade policies.

12. Provide a detailed overview of the key concepts presented in "Export Import Management" by Justin Paul and Rajiv.

13. Critically assess the contributions of the book to the understanding of export-import

14. management practices. Are there any limitations or areas where the book could be improved?

15. Summarize the main themes and concepts covered in "Export Management" by Kathiresan and Radha.

16. Compare and contrast the perspectives on export management presented in this book with those in other relevant literature.

17. Evaluate the practical applicability of the concepts discussed in the book to real-world export management scenarios.

18. Conduct a comparative analysis of the approaches to foreign trade discussed in "Export Import Management" by Justin Paul and Rajiv and "Export Management" by Kathiresan and Radha.

19. Assess how these authors address the need, features, and importance of foreign trade, drawing parallels and distinctions.

20. Evaluate the books' relevance to understanding India's export and import activities and the development of foreign trade policies.

UNIT-11

1. What is Export Import Management?
a. A financial instrument
b. A branch of economics
c. The process of managing international trade operations
d. A legal framework for imports only

2. Why is there a need for Export Import Management?
a. To limit international trade
b. To facilitate smooth international trade operations
c. To increase import restrictions
d. To reduce the scope of global business

3. What does the scope of Export Import Management encompass?
a. Only export procedures
b. Only import procedures
c. The entire process of international trade
d. Customs duties only

4. How would you describe the nature of Export Import Management?
a. Static and unchanging
b. Dynamic and evolving
c. Limited to specific industries
d. Focused on domestic trade only

5. What does FEMA stand for in the context of international trade?
a. Foreign Exchange Management Act
b. Foreign Exchange Monitoring Agency
c. Federal Export Management Act
d. Foreign Export Marketing Act

6. FERA is associated with:
a. Foreign Exchange Regulatory Act
b. Federal Export Regulations Act
c. Foreign Exchange and Regulation Act
d. Foreign Export Revenue Act

7. What does a Letter of Credit (LC) represent in international trade?
a. A credit card for exporters
b. A financial guarantee from the buyer's bank to the seller
c. A customs declaration document
d. A shipping receipt

8. How many main types of Letter of Credit are there?
a. Two
b. Three
c. Four
d. Five

9. What is the primary purpose of a Letter of Credit in international trade?
a. To facilitate communication between parties
b. To ensure timely payment to the exporter
c. To impose restrictions on trade
d. To provide insurance coverage

10. What is the role of the confirming bank in the operation of a Letter of Credit?
a. It issues the LC to the exporter
b. It adds its confirmation to the LC, ensuring payment
c. It handles the transportation of goods
d. It represents the buyer's interests only

11. In the context of a Letter of Credit, what is 'sight payment'?
a. Payment made after a specified period
b. Payment made upon presentation of documents
c. Payment made in advance
d. Payment made through electronic transfer

12. Which one of the following is not a commodity board
a. Coir Board
b. Rubber Board
c. Coffee Board
d. Pepper Board

13. Collusions can be created through——-.
a. global business
b. Cartels
c. transnational business
d. agreements

14. A licensing agreements with mutual exchange of patents is known as——-
a. cross licensing
b. flat licensing
c. product licensing
d. trade licensing

15. Free international trade maximizes world output through_______________.
a. Countries specializing in production of goods they are best suited for
b. reduction in taxes
c. increased factor income
d. encouraging competition

16. International business does not result in the following is_______________.
a. innovation is encouraged
b. international cooperation is encouraged
c. imports are rendered cheap
d. consumption is minimized

17. By entering into international business a firm expects improvement in_______________.
a. Marketing
b. All spheres of Marketing, Operation and finance simultaneously
c. any or all spheres of marketing, Operation and finance
d. D. finance only

18. by having business in different Countries a firm reduces____________.
a. Credit risk
b. Political risk
c. Financial risk
d. business risk

19. Wholly owned Subsidiary can be set up_______________.
a. as a Greenfield venture
b. to acquire an existing firm.
c. to have products marketed overseas
d. to have management is overseas

20. Countries/regions with huge market size will attract______________.
a. Market seeking FDI
b. Efficiency seeking FDI
c. Vertical FDI
d. Created assets seeking FDI

21. in a business cycle, the phase proceeding prosperity is______________.
a. recession
b. depression
c. recovery
d. recession or depression

22. The following factors are key drivers of globalisation__________________.
a. Government action, exchange rates, competition and socio demographic factors
b. Market Convergence, Competition, exchange rates and cost advantages
c. Cost advantages, government action, economic cycles and Competition
d. Market, Cost, Competition and government policies.

23. Buyers can exercise high bargaining power over their suppliers if__________________.
a. The volume they buy accounts for a large percentage of their Suppliers sales.
b. There are few buyers in the market
c. They have many suppliers to choose from
d. There is a high concentration of suppliers

24. Assessment of Competitive rivalry does NOT include an understanding of__________.
a. The extent to which Competitors are in balance.
b. Market growth rates
c. Fixed costs, exit barriers and operational efficiency.
d. The management structure of an organisation.

25. Which of the following represent major reactive motives for initiating export is_.
a. ended sales of Seasonal products
b. Competitive pressures
c. overproduction/excess capacity and unsolicited foreign orders.
d. all of the above

26. In which way do Japanese firms typically exploit foreign market opportunities?
a. using perceived value pricing strategies.
b. using psychological pricing strategies.
c. using penetration pricing strategies
d. through mass communication where their strengths in technological innovations are emphasized.

27. Which of the following is not a common form of tariffs?
a. Ad-valorem
b. discriminatory
c. specific
d. quota

28. among the factors that affect the balance of trade figures are_________________.
a. exchange rates, taxes, tariffs and trade measures.
b. the business cycle at home or abroad
c. trade barriers and agreements
d. non tariff barriers

29. Export control refers to restrictions on_______________.
a. Domestic firms from engaging in exports
b. Items that can be exported from the country
c. Foreign countries exporting to the country.
d. Domestic firms engaging in trade with nation.

30. Indirect regulations affecting international business does not include_______________.
a. Export licensing
b. Anti-boycott regulations
c. Antitrust laws
d. Anti-corruption laws.

31. Anti-boycott regulations provide that________________.
a. Domestic Companies should not boycott any export order
b. Foreign companies should not boycott exports from the country.
c. Domestic companies should not comply with boycott regulations imposed by the importing country.
d. Trade should be liberal as provided under WTO charter.

32. The operating risk in the host country does not include the risk of_______________.
a. Change in government policies
b. Exchange controls
c. Price Control
d. Sanctions

33. The political risk faced by a firm cannot be managed by_________________.
a. following ethical business practices
b. partnership with local firms
c. insurance
d. none of the above

34. Voluntary export restraint is_________________.
a. Tariff barrier
b. Non-tariff barrier

c. Both tariff and non tariff barrier.
d. Not a trade barrier.

35. The objectives of import duty is/are_________________.
a. To raise income for the government.
b. To restrict imports.
c. To encourage exports.
d. To raise income and restrict imports.

36. Import tariff benefits________________.
a. the consumers
b. domestic producers
c. overseas suppliers
d. the overseas producers

37. Non tariff trade barriers include_________________.
a. administrative regulations
b. quota
c. fiscal barriers
d. All of the Above

38. The following is not a feature of globalisation is____________.
a. Similar strategies are adopted by a firm in all markets.
b. Only multinational firms engage in international business.
c. Convergence of ideas and culture
d. Obliteration of national boundaries.

39. Globalisation of markets has brought about economies of_________________.
a. Scale in production
b. distribution and marketing
c. management
d. all business operations

40. Outsourcing of components is an example of globalisation of______________.
a. Production
b. Marketing
c. Purchase
d. Production and Marketing

40. To assess the potential of international markets Organisations generally compare nations with respect to_______________.

a. Political regime
b. demographics,GNP/Capita and Consumer preferences
c. Consumer Preferences
d. demographics,GNP/capita

41. A multinational Corporation (MNC) is defined by________________.

a. Carrying out production in more than one country
b. having sales in more than one country
c. having a multi ethnic Workforce
d. having suppliers in more than one country

42. MFN is an acronym of_________________.

e. Most Favourable Nations
f. Most Favoured Nations
g. Most Fortune Nations
h. Most Fastest Nations

43. The law that prevents the practices in restraint of trade is_______________.

a. Antiboycott regulations
b. Antitrust Laws
c. Antibribery Regulations
d. Anticorruption regulations

44. The focus on increasing profitability and profit growth by reaping the cost reduction that come from economies of Scale is____.

a. Global Standardisation Strategy
b. Localisation Strategy
c. Transnational Strategy
d. International Strategy

45. The focus on increasing profitability by customising the firms goods or services providing good match to taste and preferences in different national markets is____

a. Gobal standardization strategy
b. Localisation Strategy
c. Transnational Strategy
d. International Strategy

46. Who is the minister of commerce and industry in India
a. Mr.Suresh Babu
b. Mrs.Nimala Sitharaman
c. Mr.Arun jately
d. Mr.Rajnath Singh

47. The Strategy of taking the products first produced for their domestic market and selling them internationally with only minimal local customization is_.
a. Global Standardisation Strategy
b. Localisation Strategy
c. Transnational Strategy
d. International Strategy

47. An agreement whereby a person grants the other the rights to intangible property for a specified period for a return of royalty is_____
a. franchising.
b. licensing.
c. joint venture.
d. strategic alliances.

48. The agreement in which a firm not only sells intangible property to an entity but also insist on the strict rules as to how it does business is_.
a. franchising.
b. licensing.
c. joint venture.
d. strategic alliances.

49. A entitlement establishing a firm that is jointly owned by two or more otherwise independent firms is_.
a. franchising.
b. licensing.
c. joint venture.
d. strategic alliances.

50. The cooperative agreement between potential or actual competitors is______.
a. franchising.
b. licensing.
c. joint venture.
d. strategic alliances.

ANSWERS

1.c, 2.b, 3.c, 4.b, 5.a, 6.c, 7.b, 8.a, 9.b, 10.b, 11.**b**, 12a, 13.a, 14.b, 15.c, 16.b, 17.c, 18.c, 19.b, 20.a, 21.b, 22.d, 23.c, 24.a, 25.b, 26.d, 27.b, 28.b, 29.d, 30.d, 31.b, 32.d, 33.d, 34.c, 35.b, 36.c, 37.b, 38.b, 39.c, 40.a, 41.b, 42.d, 43.c, 44.d, 45.c, 46.d

5 MARK QUESTIONS

1. Explain the concept of Export Import Management and its role in international trade.

2. Discuss the reasons why there is a need for specialized management in the context of international trade.

3. Outline the broad scope of Export Import Management, detailing the various aspects it covers in international trade.

4. Describe the dynamic and evolving nature of Export Import Management, highlighting its characteristics.

5. Differentiate between FEMA and FERA and explain their significance in the procedures for export-import trade.

6. Explain the concept of a Letter of Credit and its importance in facilitating international trade transactions.

7. Discuss the different types of Letters of Credit used in international trade and their specific characteristics.

8. Provide a step-by-step explanation of how a Letter of Credit operates in an international trade transaction.

9. Describe the role of the confirming bank in the Letter of Credit process and its significance for exporters.

10. Explain what 'sight payment' means in the context of a Letter of Credit and how it affects the payment process.

11. Compare and contrast the different types of Letters of Credit and discuss their specific applications in trade.

12. Discuss the legal considerations and implications involved in Export Import Management.

13. Examine how FEMA and FERA contribute to the regulatory framework governing export-import activities.

14. Analyze the risks associated with international trade and how Export Import Management addresses these risks.

15. Explore how technological advancements have influenced and transformed Export Import Management practices.

16. Discuss how current global economic trends impact Export Import Management decisions and strategies.

17. Evaluate the role of Export Import Management in addressing environmental and ethical considerations in international trade.

10 MARK QUESTIONS

1. Provide a comprehensive understanding of Export Import Management, covering its meaning, scope, and the necessity for its existence.

2. Discuss the strategic importance of Export Import Management in the context of enhancing a country's economic development.

3. Conduct a critical analysis of the dynamic and evolving nature of Export Import Management, emphasizing its adaptability to changing global scenarios.

4. Examine in detail the rationale behind the need for specialized management in the field of international trade.

5. Explore the scope of Export Import Management, breaking down its various components and functions in the global business landscape.

6. Outline the procedural framework for export-import trade, covering key steps and processes involved.

7. Evaluate the roles of FEMA and FERA in export-import management, highlighting their contributions and impact on international trade.

8. Examine the legal implications associated with export-import management, considering compliance and regulatory aspects.

9. Provide an in-depth understanding of a Letter of Credit, emphasizing its role in facilitating secure international transactions.

10. Compare and contrast the different types of Letters of Credit, outlining their characteristics and suitability for various trade scenarios.

11. Analyze how the use of a Letter of Credit can mitigate risks for both exporters and importers in international trade.

12. Explain, step by step, the operation of a Letter of Credit in an international trade transaction, from initiation to completion.

13. Discuss the role and significance of the confirming bank in the operation of a Letter of Credit, focusing on risk reduction and financial security.

14. Elaborate on the concepts of sight payment and deferred payment in the context of a Letter of Credit, emphasizing their implications for the parties involved.

15. Evaluate the regulatory framework governing export-import activities, with a focus on

FEMA, FERA, and other relevant regulations.

16. Discuss how technological advancements have impacted the field of Export Import Management, with a specific emphasis on automation and digitalization.

17. Explore how Export Import Management strategies can address contemporary challenges such as geopolitical shifts, economic uncertainties, and sustainability concerns.

UNIT-III

1. What is the primary purpose of export-import documentation?
a. Financial record-keeping
b. Legal compliance
c. Inventory management
d. Employee training

2. Why is proper documentation crucial in international trade?
a. To increase shipping costs
b. To facilitate smooth customs clearance
c. To discourage exports
d. To limit global market access

3. The need for export-import documentation is driven by:
a. Domestic trade only
b. Complexity of international trade transactions
c. Limited government regulations
d. Lack of competition

4. What is the purpose of classifying export-import documents?
a. To confuse customs authorities
b. To streamline the documentation process
c. To increase paperwork
d. To reduce transparency

5. Which of the following is a commercial document in export-import classification?
a. Certificate of Origin
b. Import License
c. Bill of Lading
d. Customs Declaration

6. What is the role of regulatory documents in export-import classification?
a. Facilitate payment transactions
b. Ensure compliance with government regulations
c. Expedite cargo transportation
d. Establish product quality standards

7. What does ADS stand for in the context of export-import documentation?
a. Advanced Documentation System
b. Aligned Documentation System
c. Automated Document Submission
d. Associated Documentation Standards

8. Advantages of Aligned Documentation System include:
a. Increased complexity
b. Improved efficiency and consistency
c. Reduced transparency
d. Limited global market access

9. What is the purpose of Master Document I in export-import documentation?
a. Verify product quality
b. Specify terms of payment
c. Summarize key shipment details
d. Provide customs declarations

10. Master Document II typically includes information related to:
a. Cargo insurance
b. Export licenses
c. Product specifications
d. Import duties

11. Electronic processing of export documentation involves:
a. Increased paperwork
b. Manual verification
c. Automation and digitization
d. Limited accessibility

12. Advantages of electronic processing of export documentation include:
a. Increased delays
b. Improved accuracy and speed
c. Reduced transparency
d. Higher costs

13. Export of services refers to:
a. Importing intangible goods
b. Providing services to foreign customers
c. Exporting physical products only
d. Domestic service transactions

14. What is a key consideration in export of services?
a. Physical shipment
b. Currency exchange rates
c. Import licenses
d. Product specifications

15. The primary objective of export promotion is to:
a. Restrict international trade
b. Increase domestic consumption

c. Boost exports and expand market access
d. Impose trade barriers

16. Export promotion measures may include:
a. Reducing tariffs and trade barrier
b. Increasing import restrictions
c. Discouraging foreign investment
d. Ignoring market trends

17. Potential growth measures______.
a. the growth of the fastest economy in the world.
b. the fastest growth an economy has ever achieved.
c. the present rate of growth of an economy.
d. the rate of growth that could be achieved if resources were fully employed

18. Economic growth can be seen by an outward shift of__________.
a. the production possibility frontier.
b. the gross domestic barrier.
c. the marginal consumption frontier.
d. the Minimum Efficient Scale.

19. Free trade is based on the principle of____________.
a. comparative advantage.
b. comparative scale.
c. economies of advantage.
d. production possibility advantage.

20. Tariffs___________.
a. decrease the domestic price of a product
b. increase government earnings from tax.
c. increase the quantity of imports.
d. decrease domestic production.

21. Which of the following is not a payment method used for international trade?
a. consignment.
b. open account.
c. factoring.
d. draft.

22. Tariffs levied as a percentage of the value of the product is a________.
a. specific duty.
b. ad valorem duty.
c. anti dumping duty.

d. countervailing duty.

23. The duty levied to counteract foreign suppliers is___________.
a. specific duty.
b. ad valorem duty.
c. anti dumping duty.
d. countervailing duty.

24. The duty levied to nullify the effect of export subsidies is___________.
a. specific duty.
b. advalorem duty.
c. antidumping duty.
d. countervailing duty.

25. The export proceeds shall be realized in___________.
a. Any foreign currency.
b. Non- convertible currency.
c. Convertible currency.
d. Home currency only.

26. Monetary policy relates to controlling___________.
a. money supply.
b. money supply and interest rate.
c. money supply, interest rate and exchange rate.
d. credit creation by banks

27. The foreign Trade (Regulation) Rules was passed in the year__________.
a. 1991.
b. 1992.
c. 1993.
d. 1994.

28. Exports and Imports come under the purview of___________.
a. Ministry of Finance
b. Ministry of Commerce
c. Ministry of External Affairs
d. Ministry of Home Affairs

29. Which one of the following is not a cause but a consequence of Globalisation?
a. Integration of Markets
b. Technology and know-how
c. Greater institutionalization abroad
d. Greater Risk Exposure

30. A tariff is___________.
a. a complete ban on trade with a nation.
b. a ban on the importation of certain products from a nation.
c. an import duty.
d. a tax on goods being imported into a country.

31. When a foreign company exports and sells below the market price, it is known as_.
a. subsidies.
b. Countervailing measures.
c. Dumping.
d. Punitive barriers.

32. ______________emphasies conflicting interests in economic exchanges
a. Mercantalism
b. Neorealism
c. Liberalism
d. Keynesian economics

33. Voluntary export restraint is____________.
a. Tariff Barrier
b. Non Tariff Barrier
c. Both Tariff and Non tariff Barrier
d. Not a Trade Barrier

34. The objectives of import duty is/are_____________.
a. to raise income for the government
b. to restrict imports.
c. to encourage exports.
d. to raise income and restrict imports

35. Import tariff benefits____________
a. the consumers.
b. domestic producers
c. overseas suppliers.
d. the overseas producers

36. Non- tariff trade barriers do not include______________.
a. administrative regulations.
b. export subsidiaries
c. fiscal barriers.
d. quota.

37. Which of the following are positive reasons for internationalization?
a. Market diversification
b. Economies of scale.
c. International competitiveness
d. All of the above.

38. Which economic factors should be analysed by organizations wishing to expand in international markets?
a. Interest rates.
b. Employment.
c. Purchasing power
d. All the above

39. Tariffs include. __________.
a. decrease the domestic price of a product
b. increase government earnings from tax.
c. increase the quantity of imports.
d. decrease domestic production

40. The terms of trade measure. ____________.
a. the income of one country compared to another.
b. the GDP of one country compared to another.
c. the quantity of exports of one country compared to another.
d. export prices compared to import prices.

41. In a floating exchange rate system__________.
a. the government intervenes to influence the exchange rate.
b. the exchange rate should adjust to equate the supply and demand of the currency.
c. the balance of payments should always be in surplus.
d. the Balance of payments will always equal the government budget.

42. Duty Drawback is available for____________.
a. Import duty on imported components.
b. Central excise on indigenous components.
c. Import duty and central excise on indigenous components.
d. Import duty, central excise and VAT.

43. Investment depends mainly on.___________.
a. past levels of income .
b. future expected profits.
c. present national income levels .
d. historic data .

44. Excise duty exemption on exports is available for duty paid on____________.
a. finished products only.
b. components only.
c. finished products and components.
d. imported items

45. Advance authorization is not available for________________.
a. physical exports
b. service exports.
c. intermediate supplies.
d. deemed exports.

46. Under FEMA, the Reserve Bank of India has been authorized to make tocarry out the provision of the Act.
a. rules.
b. regulations.
c. both rules and regulations.
d. notifications.

47. Foreign exchange transactions involve monetary transactions __________.
a. among residents of the same country.
b. between residents of two countries only.
c. between residents of Two or more countries.
d. among residents of two or more countries

48. A foreign Currency account maintained by a bank abroad is its ________________
a. nostro account.
b. vostro account.
c. C. loro account.
d. foreign bank account.

49. ‘Non-resident Bank Account’s refer to______________.
a. nostro accounts.
b. vostro accounts.
c. accounts opened in offshore centres.
d. none of the above.

50. Non-resident bank accounts are maintained in____________.
a. the permitted currencies.
b. the currency of the country of the bank maintaining the account.
c. the currencies in which FCNR accounts are permitted to be maintained
d. Indian rupees.

ANSWERS

1.b, 2.b, 3.b, 4.b, 5.c, 6.b, 7.b, 8.b, 9.c, 10.a, 11.c, 12.b, 13.b, 14.a, 15.c, 16.a, 17.d, 18.a, 19.a, 20.b, 21.c, 22.b, 23.c, 24.d, 25.c, 26.c, 27.b, 28.a, 29.b, 30.d, 31.c, 32.a, 33.b, 34.d, 35.b, 36.b, 37.d, 38.d, 39.b, 40.d, 41.d, 42.c, 43.b, 44.c, 45.b, 46.b, 47.c, 48.a, 49.b, 50.d.

5 MARK QUESTIONS

1. Why is documentation crucial in the context of international trade, and what role does it play in ensuring compliance with legal regulations?

2. Discuss the significance of proper export-import documentation in mitigating risks and facilitating smooth transactions in global trade.

3. Explain the necessity for specialized management of export-import documentation and how it contributes to the efficiency of international business operations.

4. What is the purpose of classifying export-import documents, and how does it streamline the documentation process in international trade?

5. Distinguish between commercial documents and regulatory documents in the classification of export-import documents, providing examples of each.

6. How does the classification of export-import documents contribute to transparency in international trade, and why is this transparency important?

7. Define the Aligned Documentation System (ADS) and outline its key features.

8. Discuss the advantages of adopting the Aligned Documentation System (ADS) in international trade. How does it contribute to the efficiency of the documentation process?

9. Explain the purpose and content of Master Document I in the context of export-import documentation.

10. Discuss the information typically included in Master Document II and its significance in international trade transactions.

11. Describe the steps involved in the electronic processing of export documentation and how it improves efficiency in international trade.

12. Discuss the advantages of electronic processing in export documentation, including its impact on accuracy and speed.

13. Define the concept of export of services in international trade and highlight the key considerations in managing this aspect of global business.

14. Examine the challenges and opportunities associated with the export of services and how they differ from the export of physical goods.

15. What are the primary objectives of export promotion, and how does it contribute to a country's economic development?

16. Discuss the various measures adopted in export promotion, emphasizing their role in encouraging and facilitating international trade.

17. Explain how export promotion objectives align with the broader goals of global market expansion and increased competitiveness.

10 MARK QUESTIONS

1. In a detailed essay, discuss the critical role of documentation in international trade, highlighting its necessity, functions, and impact on global business operations.

2. Analyze the challenges and risks associated with inadequate export-import documentation. How can effective documentation mitigate these risks and ensure a smooth international trade process?

3. Examine the correlation between the need for specialized management of export-import documentation and the overall efficiency and competitiveness of businesses in the global market. Provide examples to support your analysis.

4. Compare and contrast commercial documents and regulatory documents in the classification of export-import documents. How do they serve different purposes, and why is their differentiation important in international trade?

5. Evaluate the significance of a well-structured classification system for export-import documents. How does it contribute to transparency, compliance, and the overall effectiveness of global trade operations?

6. Discuss the implications of misclassification or misunderstanding of export-import documents on international trade transactions. Provide examples to illustrate potential consequences.

7. Provide a comprehensive overview of the Aligned Documentation System (ADS), outlining its principles, features, and objectives. How does ADS contribute to the standardization of export-import documentation practices?

8. Examine the advantages and potential challenges of implementing the Aligned Documentation System (ADS) in the context of international trade. Discuss its impact on trade facilitation and efficiency.

9. In detail, explain the purpose and content of Master Document I in the export-import documentation process. How does it serve as a key reference point for various stakeholders involved in international trade?

10. Analyze the information typically included in Master Document II and its significance in facilitating international trade transactions. How does it contribute to risk mitigation and compliance?

11. Discuss the step-by-step process involved in the electronic processing of export documentation. How does electronic processing contribute to accuracy, speed, and overall efficiency in global trade?

12. Evaluate the advantages and challenges associated with the adoption of electronic processing in export documentation. How has technology transformed traditional documentation practices in international trade?

13. Explore the concept of export of services in international trade, highlighting the unique challenges and considerations involved. Provide examples of service-based exports and their documentation requirements.

14. Analyze the impact of the export of services on a country's economy. How does it differ from the export of physical goods, and what are the implications for businesses and governments?

15. Discuss the primary objectives of export promotion and how they align with broader economic development goals. How does export promotion contribute to fostering competitiveness in global markets?

16. Evaluate the various measures adopted in export promotion, including government policies, incentives, and trade agreements. How do these measures stimulate international trade and support businesses?

17. Analyze the challenges that countries may face in achieving successful export promotion. How can governments address these challenges and optimize promotion measures to enhance global competitiveness?

UNIT-IV

1. Which one of the following is not a commodity board

a. Coir Board
b. Rubber Board
c. Coffee Board
d. Pepper Board

2. Collusions can be created through———-.

a. global business
b. Cartels
c. transnational business
d. agreements

3. A licensing agreements with mutual exchange of patents is known as——-

a. cross licensing
b. flat licensing
c. product licensing
d. trade licensing

4. Free international trade maximizes world output through_______________.

a. Countries specializing in production of goods they are best suited for
b. reduction in taxes
c. increased factor income
d. encouraging competition

5. International business does not result in the following is_______________.

a. innovation is encouraged
b. international cooperation is encouraged
c. imports are rendered cheap
d. consumption is minimized

6. By entering into international business a firm expects improvement in_.

a. Marketing
b. All spheres of Marketing, Operation and finance simultaneously
c. any or all spheres of marketing, Operation and financed.
d. Finance only

7. By having business in different Countries a firm reduces____________.

a. Credit risk
b. Political risk
c. Financial risk
d. business risk

8. Wholly owned Subsidiary can be set up______________.
a. as a Greenfield venture
b. to acquire an existing firm.
c. to have products marketed overseas
d. to have management is overseas

9. Countries/regions with huge market size will attract_____________.
a. Market seeking FDI
b. Efficiency seeking FDI
c. Vertical FDI
d. Created assets seeking FDI

10. In a business cycle, the phase proceeding prosperity is_____________.
a. recession
b. depression
c. recovery
d. recession or depression

11. The following factors are key drivers of globalisation__________________.
a. Government action, exchange rates, competition and socio demographic factors
b. Market Convergence, Competition, exchange rates and cost advantages
c. Cost advantages, government action, economic cycles and Competition
d. Market, Cost, Competition and government policies.

12. Buyers can exercise high bargaining power over their supplier's if______________.
a. The volume they buy accounts for a large percentage of their Suppliers sales.
b. There are few buyers in the market
c. They have many suppliers to choose from
d. There is a high concentration of suppliers

13. Assessment of Competitive rivalry does NOT include an understanding of_______.
a. The extent to which Competitors are in balance.
b. Market growth rates
c. Fixed costs, exit barriers and operational efficiency.
d. The management structure of an organisation.

14. Which of the following represent major reactive motives for initiating exportis______.
a. ended sales of Seasonal products
b. Competitive pressures
c. overproduction/excess capacity and unsolicited foreign orders.
d. all of the above

15. In which way do Japanese firms typically exploit foreign market opportunities?
a. using perceived value pricing strategies.
b. using psychological pricing strategies.
c. using penetration pricing strategies
d. through mass communication where their strengths in technological innovations are emphasized.

16. Which of the following is not a common form of tariffs?
a. Ad-valorem
b. discriminatory
c. specific
d. quota

17. Among the factors that affect the balance of trade figures are______________.
a. exchange rates,taxes,tariffs and trade measures.
b. the business cycle at home or abroad
c. trade barriers and agreements
d. non tariff barriers

18. Export control refers to restrictions on_____________.
a. Domestic firms from engaging in exports
b. Items that can be exported from the country
c. Foreign countries exporting to the country.
d. Domestic firms engaging in trade with nation.

19. Indirect regulations affecting international business does not include____________.
a. Export licensing
b. Anti-boycott regulations
c. Antitrust laws
d. Anti-corruption laws.

20. Anti-boycott regulations provide that_____________.
a. Domestic Companies should not boycott any export order.
b. Foreign companies should not boycott exports from the country.
c. Domestic companies should not comply with boycott regulations imposed by the importing country.
d. Trade should be liberal as provided under WTO charter.

21. The operating risk in the host country does not include the risk of____________.
a. Change in government policies
b. Exchange control
c. Price Control
d. Sanctions

22. The political risk faced by a firm cannot be managed by______________.
a. following ethical business practices
b. partnership with local firms
c. insurance
d. none of the above

23. Voluntary export restraint is_____________.
a. Tariff barrier
b. Non-tariff barrier
c. Both tariff and non tariff
d. barrier.Not a trade barrier.

24. The objectives of import duty is/are______________.
a. To raise income for the government.
b. To restrict imports.
c. To encourage exports.
d. To raise income and restrict imports.

25. Import tariff benefits_____________.
a. the consumers
b. domestic producers
c. overseas suppliers
d. the overseas producers

26. Non tariff trade barriers include______________.
a. administrative regulations
b. quota
c. fiscal barriers
d. All of the Above

27. The following is not a feature of globalisation is_________.
a. Similar strategies are adopted by a firm in all markets.
b. Only multinational firms engage in international business.
c. Convergence of ideas and culture
d. Obliteration of national boundaries.

28. Globalisation of markets has brought about economies of______________.
a. Scale in production
b. distribution and marketing
c. management
d. all business operations

29. Outsourcing of components is an example of globalisation of___________.
a. Production
b. Marketing
c. Purchase
d. Production and Marketing

30. To assess the potential of international markets Organisations generally compare nationswith respect to_____.
a. Political regime
b. demographics,GNP/Capita and Consumer preference
c. Consumer Preferences
d. demographics,GNP/capita

31. A multinational Corporation (MNC) is defined by_____________.
a. Carrying out production in more than one country
b. having sales in more than one country
c. having a multi ethnic Workforce
d. having suppliers in more than one country

32. MFN is an acronym of______________.
a. Most Favourable Nations
b. Most Favoured Nations
c. Most Fortune Nations
d. Most Fastest Nations

33. The law that prevents the practices in restraint of trade is____________.
a. Antiboycott regulations
b. Antitrust Laws
c. Antibribery Regulations
d. Anticorruption regulations

34. The focus on increasing profitability and profit growth by reaping the cost reduction that come from economies of Scale is____.

a. Global Standardisation Strategy
b. Localisation Strategy
c. Transnational Strategy
d. International Strategy

35. Who is the minister of commerce and industry in India

a. Mr.Suresh Babu
b. Mrs.Nimala Sitharaman
c. Mr.Arun jately
d. Mr.Rajnath Singh

36. The Strategy of taking the products first produced for their domestic market and selling them internationally with only minimal local customization is____

a. Global Standardisation Strategy
b. Localisation Strategy
c. Transnational Strategy
d. International Strategy

37. An agreement whereby a person grants the other the rights to intangible property specified period for a return of royalty is_

a. franchising.
b. licensing.
c. joint venture
d. strategic alliances.

38. The agreement in which a firm not only sells intangible property to an entity but also insists on the strict rules as to how it does business is____.

a. franchising.
b. licensing.
c. joint venture.
d. strategic alliances.

39. An entitlement establishing a firm that is jointly owned by two or more otherwise independent firm’s is_.

a. franchising.
b. licensing.
c. joint venture.
d. strategic alliances.

40. The cooperative agreement between potential or actual competitors is____.

a. franchising.

b. licensing.
c. joint venture.
d. strategic alliances.

41. The entry mode that allow firms to export their process know- how to countries where FDI is prohibited, thereby enabling the firm earn greater return from this assets is______.
a. licensing.
b. consultancy exports.
c. project exports
d. turnkey projects.

42. The leading continent in international trade in IT products is________.
a. Asia.
b. Europe.
c. America.
d. Africa.

43. The new economic policy has components________________.
a. Liberalization.
b. Privatization.
c. Globalization.
d. LPG.

44. A mixed economy is necessarily a________.
a. controlled.
b. planned.
c. organized.
d. planned, organized and controlled.

45. The economic growth rate of a nation is not affected by___________.
a. business cycle.
b. sporadic events.
c. government policies.
d. none of the above.

46. A successful business must meet its__________________.
a. economic objectives .
b. social objectives.
c. economic and social objectives.
d. top executives expectations.

47. Economic growth can be measured by__________.
a. CPI .
b. CBI .

c. GDP.
d. MPC.

48. In a boom_______________.
a. unemployment is likely to fall.
b. prices are likely to fall.
c. demand is likely to fall.
d. imports are likely to grow.

49. in a recession, GDP___________.
a. grows negatively.
b. grows slowly.
c. grows by 0%.
d. grows rapidly.

ANSWERS

1.d, 2.b, 3.a, 4.a, 5.d, 6.d, 7.b, 8.a, 9.a, 10.c, 11.d, 12.a, 13.d, 14.d, 15.c, 16.b, 17.a, 18.b, 19.a, 20.c, 21.d, 22.d, 23.b, 24.d, 25.b, 26.d, 27.a, 28.d, 29.a, 30.b, 31.a, 32.b, 33.a, 34.a, 35.b, 36.d, 37.d, 38.b, 39.a, 40.c, 41.d, 42.d, 43.a, 44.d, 45.b, 46.d, 47.c, 48.c, 49.a, 50.a

5 mark questions

1. Explain the significance of Export Import finance in international trade, highlighting its role in facilitating cross-border transactions.

2. Discuss five different methods of Export Import finance and elaborate on how each method contributes to the smooth flow of international trade.

3. Evaluate the importance of proper documentation in Export Import finance and its impact on reducing risks in global transactions.

4. Analyze the role of financial institutions in providing Export Import finance and their contribution to the growth of international trade.

5. Compare and contrast the various sources of Export Import finance, emphasizing the advantages and disadvantages of each source.

6. Assess the role of the Reserve Bank of India (RBI) in supporting Export Import finance and its impact on the stability of the Indian economy.

7. Investigate the role of the Export Credit Guarantee Corporation (ECGC) in mitigating risks associated with Export Import finance and its impact on exporters.

8. Elaborate on the contribution of the Industrial Development Bank of India (IDBI) in providing financial assistance for export-oriented projects.

9. Discuss the role of the International Monetary Fund (IMF) in supporting countries engaged in international trade and its influence on global financial stability.

10. Evaluate the effectiveness of institutional support in reducing the challenges faced by exporters and importers in the international market.

11. Examine the impact of Export Import finance on the balance of payments of a country, with specific examples.

12. Assess the role of technology in streamlining Export Import finance processes and reducing transaction costs for businesses.

13. Explain the concept of trade credit and its importance in facilitating international trade transactions.

14. Discuss the challenges and opportunities faced by exporters and importers in accessing Export Import finance in the current global economic scenario.

15. Analyze the role of regulatory frameworks in ensuring the smooth functioning of Export Import finance and minimizing financial risks.

16. Examine the role of EXIM Bank in providing financial assistance to Small and Medium Enterprises (SMEs) engaged in international trade.

17. Evaluate the impact of currency fluctuations on Export Import finance and strategies employed to manage exchange rate risks.

18. Discuss the role of ECGC in providing export credit insurance and how it enhances the confidence of exporters in dealing with foreign buyers.

19. Assess the coordination and collaboration among different financial institutions in supporting Export Import finance and promoting international trade.

10 mark questions

1. Critically analyze the role of Export Import finance in fostering international trade, considering its impact on the growth of economies and global commerce.

2. Compare and contrast at least five methods of Export Import finance, discussing their suitability for different types of international trade transactions.

3. Assess the significance of proper documentation in Export Import finance, examining how it contributes to risk mitigation and legal compliance in cross-border transactions.

4. Evaluate the role of financial institutions in Export Import finance, emphasizing their contribution to trade facilitation and economic development.

5. Discuss the various sources of Export Import finance and their implications for businesses engaged in international trade, considering both short-term and long-term perspectives.

6. Analyze the functions and responsibilities of the Reserve Bank of India (RBI) in the context of supporting and regulating Export Import finance activities.

7. Assess the impact of the Export-Import Bank of India (EXIM Bank) on promoting and financing foreign trade, with a focus on its role in supporting export-oriented projects.

8. Investigate the functions and services provided by the Export Credit Guarantee Corporation (ECGC) and how it helps exporters manage risks associated with international trade.

9. Examine the role of the Industrial Development Bank of India (IDBI) in providing financial assistance for export-oriented projects, and its impact on industrial growth.

10. Discuss the contribution of the International Monetary Fund (IMF) in stabilizing global economies and supporting countries engaged in international trade.

11. Evaluate the effectiveness of institutional support, including RBI, EXIM Bank, ECGC, IDBI, and IMF, in collectively addressing the challenges faced by exporters and importers.

12. Examine the impact of Export Import finance on a country's balance of payments, considering both positive and negative effects.

13. Analyze the role of technology in modernizing and improving the efficiency of Export Import finance processes, with a focus on recent advancements and trends.

14. Discuss the challenges and opportunities for businesses in accessing Export Import finance, considering the dynamic nature of the global economic landscape.

15. Evaluate the role of regulatory frameworks in ensuring the integrity of Export Import finance transactions and minimizing financial risks.

16. Assess the significance of trade credit in international trade, discussing its impact on cash flow management and relationship building between buyers and sellers.

17. Examine the role of EXIM Bank in supporting Small and Medium Enterprises (SMEs) through financial assistance and various schemes aimed at promoting international trade.

18. Evaluate the impact of currency fluctuations on Export Import finance, and analyze strategies employed by businesses to manage exchange rate risks effectively.

19. Discuss the functions of ECGC in providing export credit insurance, and how it contributes to the confidence of exporters in dealing with foreign buyers.

20. Assess the level of coordination and collaboration among different financial institutions in providing comprehensive support for Export Import finance and promoting international trade.

UNIT-V

1. 'Basic balance' in balance of payments refers to___________.
a. the balance of payments on current account.
b. the combined balance of current and capital accounts.
c. the balance in official reserves account.
d. the total of balance of current account and balances on long term items in capital account.

2. Autonomous transactions in balance of payments take place.___________.
a. only among private individuals.
b. without the approval of the government.
c. generally for profit motive.
d. as an effect of exchange rate changes.

3. for devaluation of the currency to be effective to correct balance of payments deficit.___________.
a. demand for exports should be price elastic.
b. demand for imports should be price elastic.
c. demand for imports and exports should be price elastic.
d. demand for exports should be price elastic and that for imports should be price inelastic

4. The strategy of deflation employed to correct balance of payments deficit includes use of ___________.
a. monetary policy.
b. fiscal policy.
c. both fiscal and monetary policy.

5. Exchange control as a method of correcting balance of payments disequilibrium which does not include______.
a. exchange restriction.
b. exchange reserves
c. exchange intervention.
d. exchange clearing arrangement

6. The size of quota allocated to a member country determines.____________.
a. its drawing power.
b. its drawing power and voting rights.
c. its drawing power, voting rights and share in allocation of SDRs.
d. its drawing power, voting rights, nomination to Board of Governors and share in the allocation of SDRs.

7. Loan facilities from IMF targeted at low-income group and available at concessional rate of interest does not include.___
.

a. Poverty Reduction and Growth Facility.
b. Emergency Assistance.
c. Heavily Indebted Poor Countries Initiative.
d. None of the above.

8. The abbreviation SDR stands for__________.
a. Special Drawing Rights.
b. Specific Drawing Rights.
c. Special Depository Rules.
d. None of the above.

9. A value of SDR is___________.
a. equivalent to one US Dollar.
b. based on value of gold.
c. average of the value of US dollar and Euro.
d. based on basket of five currencies.

10. The term World Bank refers to________.
a. IBRD.
b. IDA.
c. Both IBRD and IDA.
d. IFC.

11. IBRD lending is not available for___________.
a. middle income countries.
b. low income countries.
c. multilateral agencies.
d. none of the above.

12. IBRD lending is available for____________.
a. the governments to meet balance of payment problems.
b. the governments for specific programmes of delivery of social services.
c. the private sector creating infrastructures in low income countries
d. none of the above

13. MIGA stands for__________.
a. Multilateral Investement Guarantee Agency.
b. Multilateral Institutional and Government Agencies.
c. Mutual Interest Guaranteeing Agencies.
d. none of the above.

14. Foreign exchange market is considered 24 hour market because______________.
a. It is open all through the day.
b. All transactions are to be settled within 24 hours.
c. Due to geographical dispersal at least one market is active at any point Of time.

d. minimum 24 hours must lapse before any transaction is settled.

15. The major players in the foreign exchange market are____________.
a. Commercial banks.
b. Corporate.
c. Exchange brokers.
d. Central bank of the country and the Central Government.

16. The acronym SWIFT stands for_____________.
a. Safety Width in Financial Transactions.
b. Society for Worldwide International Financial Telecommunication.
c. Society for Worldwide Interbank Financial Telecommunication.
d. Swift Worldwide Information for Financial Transactions.

17. Which of the expansions of abbreviations is correct
a. CHIPS -Clearing House Interbank Payment System.
b. CHAPS -Clearing House American Payment System.
c. CHIPS -Chartered House International Payment Scheme.
d. CHAPS -Clearing House International Payment System.

18. Indirect rate in foreign exchange means_______________.
a. The rate quoted with the units of home currency kept fixed
b. The rate quoted with units of foreign currency kept fixed.
c. The rate quoted in terms of a third currency.
d. None of the above.

19. AVT is manageing plantations in Srilanka is an example for —
a. management contracts
b. licensing
c. franchising
d. None of these.

20. Ratios of opportunity cost different in____________.
a. Equal cost differences.
b. Absolute cost difference.
c. Comparative cost differences.
d. None of these.

21. India 1 unit of cotton = 1 unit of wheat, Pakistan 1 unit of cotton = 2 unit of wheat whichis explained by_______.
a. Absolute cost difference.
b. Comparative cost theory.
c. Modern international trade
d. None of these.

22. Modern theory of international trade explained by__________.
a. Adam smith.
b. J.S. Mill.
c. Taussing and Haberler.
d. Heckcher and ohlin.

23. Relationship between export trade and importrade is known as_________.
a. Terms of payment.
b. Terms of trade.
c. Balance of trade.
d. None of these.

22. The division of the gain from trade between the nations is explained as__________.
a. Balance of trade.
b. Terms of trade.
c. Balance of payment.
d. None of these.

23. The exchange depends on the relations between the pricing export goods and the price of import goods,
this exchange is known as___________.
a. Marshall Edge worth terms of trade.
b. Commodity terms of trade.
c. Factorial terms of trade.
d. terms of trade.

24. When exports exceed imports the balance of trade is__________.
a. Unfavourable.
b. Favourable.
c. Neither favourable nor unfavourable.
d. None of these.

25. When imports exceeds exports, the balance of trade is___________.
a. Unfavourable.
b. Favourable.
c. Neither favourable nor unfavourable
d. None of these.

26. Trade between the nations without any restriction is known as_______.
a. Protection trade.
b. Free trade.
c. Terms of trade.
d. None of these.

27. Trade between the nations with restriction is known as____________.
a. Free trade.
b. Terms of trade.
c. Balance of trade.
d. Protection trades.

22. ___________is duty or tax imposed on a commodity when it crosses the national boundaries.
a. Tariffs.
b. Subsidy.
c. Quotas.
d. None of these.

23. Duties that are levied on the value of goods imported or exported is called____________.
a. Compound duties.
b. Single column tariffs.
c. Triple column tariffs.
d. Advalorem duties.

24. Duties that are levied an quantity of goods imported or exported is called___________.
a. Compound duty.
b. Specific duties.
c. Single column duties.
d. None of these.

25. Both value and quantity are taken for levy duty is called_________.
a. Compound duty.
b. Specific duty.
c. Advalorem duty.
d. Single column duty.

26. Subsidy is a payment by government to____________.
a. Encourage the international trade.
b. Encourage the new entrepreneurs.
c. Encourage the exports.
d. Encourage the imports.

27. The quantity or value of commodity to be imported is fixed for a specific period is __________.
a. Tariff quotas'
b. Global quotas.
c. Licensing system
d. None of these.

28. The quotas that limit the quantity of free import or export at lower rates of tariff is called ___________.

a. Global quotas.
b. Licensing system.
c. Tariff quotas.
d. None of these.

29. All amount payable to or amount receivable from another country is known as ______________.

a. Balance of trade.
b. Balance of payment.
c. Terms of trade.
d. None of these.

Amount payable to or amount receivable from another country for visible commoditiesonly is known as______.

a. Balance of payment.
b. Balance of trade.
c. Terms of trade.
d. None of these.

30. Exchange of home currency to foreign currency is known as___________.

a. Exchange control.
b. Foreign exchange rate.
c. Foreign exchange.
d. None of these.

31. Export procedure begins with___________.

a. Indent.
b. Shipping order.
c. Consular invoice.
d. Marine insurance.

32. The bill of exchange drawn by exporter on the importer is known as____________.

a. Documentary bill.
b. Bill of lading
c. Bill of entry.
d. Bill of sight.

33. State trading corporation of India was established______________.

a. By a special Act of parliament.
b. Under companies Act of 1956 as Pvt Ltd Company.
c. Under companies Act of 1956 as Public Ltd. Company.
d. None of these.

34. Which organization promotes export trade___________.
a. STC.
b. EXIM bank.
c. ECGC.
d. All of these.

35. Special Drawing Rights is also known as___________.
a. Gold.
b. Paper gold.
c. Paper silver.
d. None of these.

36. International chamber of commerce was established on___________.
a. 1952.
b. 1956.
c. 1944.
d. None of these.

37. Trade fair authorities of India were set up on___________.
a. March 1970.
b. March 1978.
c. March 1977.
d. March 1979.

38. In India, Export and Import Bank was established in the year___________.
a. 1982.
b. 1984.
c. 1986.
d. 1950.

39. Internal trade is otherwise called__________.
a. Foreign Trade.
b. Home Trade.
c. Retail Trade
d. Wholesale Trade.

40. The Capital Account consists of_________.
a. Private.
b. Banking.
c. Loans.
d. All of these.

41. Godrej soaps manufactured Dettol is an example for
a. contract manufacturing
b. turnkey projects
c. management contracts
d. licensing

ANSWERS

1.d, 2.c, 3.c, 4.c, 5.b, 6.c, 7.b, 8.a, 9.d, 10.d, 11.c, 12.b, 13.a, 14.c, 15.a, 16.c, 17.a, 18.a, 19.a, 20.b, 21.b, 22.d, 23.b, 24.b, 25.b, 26.b, 27.a, 28.b, 29.d, 30.a, 31.d, 32.b, 33.a, 34.c, 35.b, 36.c, 37.b, 38.b, 39.c, 40.a, 41.a, 42.b, 43.a, 44.a, 45.d, 46.c, 47.a

5 MARK QUESTIONS

1. What is the primary role of Export Import finance in international trade, and how does it contribute to the economic development of countries?

2. Briefly explain two different methods of Export Import finance, highlighting their advantages and limitations.

3. How does proper documentation play a crucial role in reducing risks in Export Import finance transactions? Provide examples to support your answer.

4. Compare and contrast short-term and long-term sources of Export Import finance, citing examples for each category.

5. Discuss the role of the Reserve Bank of India (RBI) in supporting and regulating Export Import finance activities in the country.

6. Explain the functions and services provided by the Export-Import Bank of India (EXIM Bank) in promoting foreign trade and financing export-oriented projects.

7. Analyze the significance of export credit insurance provided by the Export Credit Guarantee Corporation (ECGC) in managing risks for exporters.

8. How does the Industrial Development Bank of India (IDBI) contribute to the financing of export-oriented projects and industrial growth?

9. Discuss the impact of the International Monetary Fund (IMF) on stabilizing global economies and its role in supporting countries engaged in international trade.

10. Evaluate the importance of institutional support, including RBI, EXIM Bank, ECGC, IDBI, and IMF, in addressing challenges faced by exporters and importers.

11. Examine the influence of technology on modernizing Export Import finance processes, citing specific examples of technological advancements.

12. What are the challenges and opportunities for businesses in accessing Export Import finance in the current global economic scenario?

13. Explain the role of regulatory frameworks in ensuring the integrity of Export Import finance transactions and minimizing financial risks.

14. Discuss the concept of trade credit in international trade and its impact on cash flow management for businesses.

15. How does the EXIM Bank support Small and Medium Enterprises (SMEs) through various schemes aimed at promoting international trade?

16. Assess the impact of currency fluctuations on Export Import finance and provide strategies that businesses can employ to manage exchange rate risks.

17. Explain the functions of ECGC in providing export credit insurance and its role in building confidence among exporters.

18. Discuss the coordination and collaboration among different financial institutions in providing comprehensive support for Export Import finance.

19. Analyze the challenges associated with international trade financing and propose solutions for overcoming them.

10 MARK QUESTIONS

1. Critically analyze the role of Export Import finance in the context of globalization, considering its impact on both developed and developing economies.

2. Compare and contrast five different methods of Export Import finance, providing detailed explanations of each method and their suitability in various trade scenarios.

3. Evaluate the role of proper documentation in Export Import finance, discussing its importance in mitigating legal and financial risks in international transactions.

4. Assess the impact of financial institutions, including RBI, EXIM Bank, ECGC, IDBI, and IMF, in shaping the landscape of Export Import finance and promoting global trade.

5. Discuss the short-term and long-term sources of Export Import finance, analyzing their implications for businesses engaged in international trade.

6. Analyze the functions and responsibilities of the Reserve Bank of India (RBI) in regulating and supporting Export Import finance activities, with a focus on recent developments.

7. Evaluate the role of the Export-Import Bank of India (EXIM Bank) in facilitating foreign trade and financing export-oriented projects, providing examples to illustrate its impact

8. Investigate the functions and services offered by the Export Credit Guarantee Corporation (ECGC) and how it aids exporters in managing risks associated with international trade.

9. Examine the contributions of the Industrial Development Bank of India (IDBI) in providing financial assistance for export-oriented projects and its role in industrial growth.

10. Discuss the significance of the International Monetary Fund (IMF) in stabilizing global economies and its influence on countries engaged in international trade.

11. Evaluate the collective impact of institutional support, including RBI, EXIM Bank, ECGC, IDBI, and IMF, in addressing the challenges faced by exporters and importers.

12. Analyze the role of technology in modernizing and streamlining Export Import finance processes, with a focus on recent technological advancements.

13. Discuss the challenges and opportunities for businesses in accessing Export Import finance, considering the dynamic nature of the global economic landscape.

14. Assess the role of regulatory frameworks in ensuring the integrity of Export Import finance transactions and minimizing financial risks.

15. Evaluate the impact of trade credit in international trade and its role in cash flow management for businesses engaged in cross-border transactions.

16. Analyze how the EXIM Bank supports Small and Medium Enterprises (SMEs) through various schemes aimed at promoting international trade.

17. Assess the impact of currency fluctuations on Export Import finance and analyze strategies employed by businesses to manage exchange rate risks effectively.

18. Explain the functions of the Export Credit Guarantee Corporation (ECGC) in providing export credit insurance and how it builds confidence among exporters.

19. Discuss the coordination and collaboration among different financial institutions in providing comprehensive support for Export Import finance.

20. Analyze the challenges associated with international trade financing and propose comprehensive solutions for overcoming them.

FUNDAMENTALS OF INSURANCE

Unit-I

MCQs:

1. What is insurance?
a. A savings account
b. A risk management tool
c. A legal document
d. A type of loan

2. Insurance involves the transfer of:
a. Profits
b. Losses
c. Goods
d. Employees

3. The primary purpose of insurance is to:
a. Generate profits for insurers
b. Provide financial protection against risks
c. Promote investments
d. Regulate the economy

4. In insurance, the entity that provides coverage is known as the:
a. Policyholder
b. Beneficiary
c. Insurer
d. Underwriter

5. Which of the following is not a key element of insurance?
a. Premium
b. Policyholder
c. Profit
d. Peril

6. Insurance policies are legal contracts that specify:
a. Business profits
b. Terms and conditions of coverage
c. Marketing strategies
d. Stock prices

7. The process of evaluating and selecting risks for insurance is known as:
a. Risk assessment
b. Premium calculation
c. Claims processing
d. Underwriting

8. Which of the following is an example of a peril in insurance?
a. Fire
b. Premium
c. Agent

9. Insurance coverage that protects against legal liability is called:
a. Life insurance
b. Property insurance
c. Liability insurance
d. Health insurance

10. The financial contribution made by the policyholder to the insurer is called the:
a. Deductible
b. Premium
c. Claim
d. Peril

11. Marine insurance primarily covers risks related to:
a. Land transportation
b. Air transportation
c. Sea transportation
d. Space transportation

12. Property insurance is a type of:
a. Life insurance
b. Marine insurance
c. Non-marine insurance
d. Liability insurance

13. Which type of insurance provides coverage for damage to or loss of the insured property, such as buildings and contents?
a. Property insurance
b. Liability insurance
c. Health insurance
d. Auto insurance

14. Liability insurance primarily covers:
a. Damage to property
b. Injuries to third parties
c. Loss of life
d. Theft

15. A contract of insurance that provides coverage for medical expenses and hospitalization is known as:

a. Property insurance
b. Health insurance
c. Liability insurance
d. Auto insurance

16. Contracts of insurance related to the legal responsibility of individuals or businesses for injuries or damages to others are classified as:

a. Property insurance
b. Health insurance
c. Liability insurance
d. Auto insurance

ANSWERS

1.b, 2.b, 3.b, 4.c, 5.c, 6.b, 7.d, 8.a, 9.c, 10.b, 11.c, 12.d, 13.a, 14.b, 15.a, 16.c, 17.a, 18.b, 19.b, 20.c.

5 MARK QUESTIONS

1. Explain the concept of insurance and its role in risk management

2. Discuss the key elements of an insurance contract and how they contribute to the functioning of the insurance industry.

3. Describe the significance of risk in the context of insurance and how insurance helps individuals and businesses mitigate risks.

4. Elaborate on the role of underwriting in the insurance process and its importance in managing risk for insurers.

5. Compare and contrast the concepts of premium and deductible in insurance, highlighting their roles in policyholder contributions and claims settlements.

6. Differentiate between life insurance and non-life insurance, providing examples of each.

7. Explain the classification of marine insurance and provide examples of risks covered under this category.

8. Discuss the various types of non-marine insurance, emphasizing their coverage areas and significance in risk protection.

9. Describe the characteristics of property insurance and how it differs from liability insurance in the non-marine insurance category.

10. Examine the role of health insurance in providing financial protection for medical expenses, and discuss its importance in the context of non-marine insurance.

11. Discuss the key features of liability insurance and its relevance in protecting individuals and businesses against legal claims.

12. Explain the concept of reinsurance and its role in the insurance industry, particularly in managing large and complex risks.

13. Illustrate with examples how auto insurance falls under the category of non-marine insurance and its significance for vehicle owners.

14. Discuss the role of aviation insurance in the non-marine category and how it addresses risks associated with air transportation.

15. Examine the significance of cargo insurance in marine transportation and its role in protecting goods during transit.

16. Describe the characteristics of hull insurance and its importance in covering the physical damage to ships in marine insurance.

17. Discuss the role of inland transit insurance and provide examples of situations where it becomes relevant in the context of marine insurance

18. Explain the concept of non-life insurance and its scope, covering various types of insurance other than life insurance.

19. Discuss the importance of classification in insurance contracts and how it helps insurers tailor coverage to specific types of risks.

20. Evaluate the impact of technological advancements on the insurance industry, particularly in the context of innovation in policy offerings and risk assessment.

10 MARK QUESTIONS

1. Critically analyze the concept of insurance, highlighting its evolution and societal significance over time. Discuss the ethical considerations in the insurance industry.

2. Examine the key elements of an insurance contract and their role in creating a legally binding agreement between the insurer and the policyholder.

3. Evaluate the various types of risks and their classifications in the context of insurance, emphasizing how insurers access and manage these risks

4. Discuss the principles of underwriting and how they influence the decision-making process for insurers when issuing policies. Provide examples to illustrate these principles.

5. Examine the economic implications of insurance, considering its role in promoting financial stability for individuals, businesses, and the overall economy.

6. Compare and contrast life insurance and non-life insurance, providing detailed insights into the characteristics, purposes, and beneficiaries of each type.
7. Evaluate the complexities involved in marine insurance, considering the unique risks associated with sea transportation and the impact of global trade on marine underwriting.

8. Analyze the various categories within non-marine insurance, such as property, liability, and health insurance. Discuss the specific risks covered by each category and their relevance in different contexts

9. Examine the legal and regulatory aspects of property insurance, particularly in relation to coverage for damage or loss of physical assets.

10. Critically analyze the role of health insurance in modern society, considering the challenges and opportunities it presents in the context of rising healthcare costs and changing demographics.

11. Evaluate the importance of liability insurance in protecting individuals and businesses from legal claims. Discuss notable cases and their impact on liability insurance practices.

12. Discuss the complexities of reinsurance, examining its role in risk management for primary insurers and the global interdependence of reinsurers.

13. Examine the key features of auto insurance, including coverage options, premium calculations, and the impact of factors like technology and driver behaviour on the industry.

14. Evaluate the significance of aviation insurance in the context of the aviation industry, considering the unique risks associated with air transportation.

15. Analyze the role of cargo insurance in facilitating international trade, with a focus on the challenges and solutions in covering goods during transit.

16. Discuss the intricacies of hull insurance, exploring its importance in maritime activities and the complexities involved in assessing and managing risks related to ship damage.

17. Examine the relevance of inland transit insurance, particularly in the context of land-based transportation and the challenges associated with covering goods during overland journeys.

18. Critically evaluate the scope and significance of non-life insurance, considering its impact on individuals, businesses, and the broader economy.

19. Discuss the importance of risk classification in insurance contracts, exploring how insurers tailor coverage based on risk factors and the implications for policyholders.

20. Examine the role of technology in transforming the insurance industry, including the use of artificial intelligence, data analytics, and block chain. Assess the benefits and challenges associated with technological advancements in insurance

UNIT-II

1. What is the primary objective of Life Assurance?
a. Wealth accumulation
b. Risk protection
c. Investment growth
d. Tax avoidance

2. What are the two main objects of Life Assurance?
a. Investment and speculation
b. Risk coverage and savings
c. Tax planning and estate management
d. Borrowing and lending

3. Which principle states that a person should not profit from the death of another?
a. Insurable interest
b. Utmost good faith
c. Principle of indemnity
d. Principle of insurability

4. What is the purpose of an assignment in Life Assurance?
a. Transfer of policy ownership
b. Increasing premium payments
c. Cancelling the policy
d. Claim settlement

5. In Life Assurance, what does "lapse" refer to?
a. Policy termination due to non-payment
b. Premium reduction
c. Policy maturity
d. Adding coverage to an existing policy

6. What is the term used when a lapsed policy is reinstated?
a. Renunciation
b. Revival
c. Surrender
d. Nomination

7. What is the cash value that a policyholder receives upon surrendering a life insurance policy called?

a. Maturity value
b. Surrender value
c. Premium refund
d. Nomination value

8. What is the purpose of a life insurance loan?
a. Investment in stocks
b. Buying real estate
c. Borrowing against policy cash value
d. Funding education

9. What does "double insurance" mean in the context of life assurance?
a. Two policies covering the same risk
b. Premiums are doubled
c. Two separate beneficiaries
d. Coverage for both life and health

10. What happens if the policyholder fails to pay the premium within the grace period?
a. Policy lapses
b. Premium increases
c. Policy matures
d. Nomination process starts

11. In life assurance, what is the purpose of nomination
a. Policy surrender
b. Premium payment
c. Beneficiary designation
d. Policy revival

12. What is the primary purpose of a claim in life assurance?
a. Policy cancellation
b. Policy surrender
c. Beneficiary payment
d. Premium reduction

13. Which principle emphasizes the duty of the insured to disclose all relevant information to the insurer?

a. Principle of indemnity
b. Principle of insurable interest
c. Utmost good faith
d. Principle of subrogation

14. What does "endorsement" refer to in the context of life assurance?
a. Cancelling the policy
b. Adding or changing policy provisions
c. Premium reduction
d. Policy surrender

15. When does a life insurance policy mature?
a. Upon policyholder's death
b. At the end of the policy term
c. When the policy lapses
d. During the grace period

16. What is the term for the period during which the policyholder can reinstate a lapsed policy?
a. Grace period
b. Nomination period
c. Revival period
d. Surrender period

17. In the context of life assurance, what is a beneficiary?
a. The policyholder
b. The insurance agent
c. The person entitled to policy proceeds
d. The policy nominee

18. What does the principle of indemnity in life assurance state?
a. A person should not profit from insurance
b. The insurer must disclose all information
c. The policyholder can transfer the policy
d. Premiums should be paid on time

19. What happens if there is a discrepancy between the nominee and the will of the policyholder?
a. Nomination is void
b. Will takes precedence
c. Nominee decides
d. Policy lapses

20. What is the purpose of a medical examination in the life insurance application process?
a. Determine the policy premium
b. Assess insurability and risk
c. Calculate the surrender value
d. Expedite the claims process

ANSWERS

1.b, 2.b, 3.a, 4.a, 5.a, 6.b, 7.b, 8.c, 9.a, 10.a, 11.c, 12.c, 13.c, 14.b, 15.b, 16.c, 17.c, 18.a, 19.b, 20.b

5 MARK QUESTIONS

1. Explain the two main objects of Life Assurance and provide examples of how they are achieved in real-life insurance policies. 2. Elaborate on the principle of insurable interest in the context of Life Assurance. How does it safeguard the interests of both the insurer and the insured?

2. Discuss the significance of assignment in Life Assurance. Provide examples of situations where policyholders might consider assigning their life insurance policies.

3. Define the term "lapse" in the context of Life Assurance. Explore the consequences of policy lapse for both the policyholder and the insurer.

4. Evaluate the process of policy revival in Life Assurance. What factors should a policyholder consider before deciding to revive a lapsed policy?

5. Examine the concept of surrender values and loans in life insurance. How do these features provide financial flexibility to policyholders?

6. Describe the various types of claims that can arise in Life Assurance. Explain the process involved in settling a claim and the documentation required.

7. Discuss the concept of double insurance in the context of Life Assurance. Provide examples of how double insurance may occur and its implications for policyholders andinsurers.

8. Analyze the impact of lapses on policy surrender values. How are surrender values calculated, and what factors influence their determination?

9. Explain the purpose of nomination in Life Assurance. How does the nomination process work, and what role does it play in the distribution of policy proceeds?

10. Critically evaluate the reasons for policy lapses in Life Assurance. What strategies can insurers employ to minimize policy lapses and their associated risks?

11. Explore the factors that determine the surrender value of a life insurance policy. How does the surrender value vary throughout the life of the policy?

12. Compare and contrast the principles of indemnity and insurable interest in Life Assurance. How do these principles contribute to the fairness and sustainability of theinsurance industry?

13. Investigate the role of medical examinations in the life insurance application process. How do these examinations impact underwriting decisions and premium calculations?

14. Discuss the principles of utmost good faith in Life Assurance. How do these principlesshape the relationship between the insured and the insurer throughout the

policy lifecycle?

15. Examine the role of endorsements in Life Assurance. Provide examples of situationswhere policyholders might request endorsements and the impact on policy terms.

16. Evaluate the impact of a policyholder's health on the underwriting process. How do healthconditions influence premium calculations and policy acceptance/rejection?

17. Analyze the reasons behind policy surrender in Life Assurance. What options are available to policyholders when considering surrendering their life insurance policies?

18. Discuss the consequences of double insurance on the claims settlement process. How doinsurers coordinate and handle claims when double insurance is involved?

19. Explore the ethical considerations related to Life Assurance, focusing on principles suchas fairness, transparency, and responsibility in the insurance industry.

10 MARK QUESTIONS

1. Discuss in detail the two primary objects of Life Assurance. Provide examples of life insurance products that effectively achieve these objectives.

2. Elaborate on the principles of Life Assurance, emphasizing the significance of insurable interest, utmost good faith, and the principle of indemnity. How do these principles govern the relationship between insurers and policyholders?

3. Explore the various methods of assignment in Life Assurance. Compare and contrast absolute and conditional assignments, highlighting their implications for the policyholder and the assignee.

4. Evaluate the impact of lapses on both policyholders and insurers. Discuss strategies insurers can adopt to prevent lapses and the consequences of not addressing lapses effectively.

5. Analyze the process of policy revival in Life Assurance. What considerations should policyholders take into account before deciding to revive a lapsed policy?

6. Examine the concept of surrender values and loans in life insurance policies. How do these features contribute to the financial planning options available to policyholders?

7. Discuss the various types of claims that can arise in Life Assurance, including death claims, maturity claims, and critical illness claims. Evaluate the documentation required for each type of claim.

8. Critically analyze the concept of double insurance in Life Assurance. Explore the challenges faced by insurers and policyholders in cases of double insurance and suggest potential solutions.

9. Investigate the factors influencing the calculation of surrender values in life insurance

policies. How do these factors vary across different types of policies and insurers?

10. Explain the purpose and significance of nomination in Life Assurance. How does the nomination process impact the distribution of policy proceeds, especially in cases of multiple nominees or contingent beneficiaries?

11. Assess the impact of lapses on policy surrender values. How do lapses affect the financial outcomes for policyholders, and what strategies can insurers employ to manage surrender values effectively?

12. Examine the role of medical examinations in the underwriting process of life insurance. Discuss the ethical considerations related to obtaining and using medical information in the insurance industry.

13. Compare and contrast the principles of utmost good faith and principles of subrogation in Life Assurance. How do these principles contribute to a balanced and fair insurance system?

14. Investigate the significance of endorsements in life insurance policies. Provide examples of situations where policyholders might request endorsements and the impact on the overall policy terms.

15. Discuss the ethical considerations related to the claims settlement process in Life Assurance. How can insurers ensure fairness, transparency, and timely settlement for policyholders?

16. Examine the role of technology in the life insurance industry, focusing on how advancements impact underwriting, claims processing, and overall customer experience.

17. Evaluate the role of reinsurance in managing risks, especially in scenarios involving double insurance. How does reinsurance impact the financial stability of insurers?

18. Analyze the reasons behind policy surrender decisions in Life Assurance. What options are available to policyholders, and how can insurers manage surrender-related risks?

19. Discuss the potential impact of regulatory changes on the life insurance industry. How can insurers adapt their practices to comply with evolving regulations while ensuring customer satisfaction?

20. Explore the future trends and innovations in the field of Life Assurance. How might technological advancements, changing consumer expectations, and regulatory developments shape the industry in the coming years?

Unit-III

MCQ QUESTIONS

1. What are the principles of Marine Insurance designed to achieve
a. Profit maximization
b. Risk mitigation
c. Premium reduction
d. Policy cancellation

2. What is the primary function of Marine Insurance?
a. Wealth accumulation
b. Speculation
c. Risk coverage during maritime activities
d. Tax planning

3. How many main types of marine policies are commonly used in the insurance industry?
a. Two
b. Three
c. Four
d. Five

4. What are "Warranties" in the context of Marine Insurance?
a. Legal documents
b. Policy premiums
c. Policy conditions that must be strictly adhered to
d. Claim settlements

5. In Marine Insurance, what do "kinds of marine losses" refer to?
a. Types of policies
b. Different marine activities
c. Various types of claims
d. Premium rates

6. What is the purpose of Marine Insurance warranties?
a. To confuse policyholders
b. To simplify policy language
c. To specify conditions that must be met
d. To reduce premium costs

7. Which type of Marine Insurance policy covers the transportation of goods by sea from one port to another?
a. Voyage policy
b. Time policy

c. Floating policy
d. Valued policy

8. What does a "Time policy" in Marine Insurance typically cover?
a. A specific voyage
b. A specific time period
c. Various shipments
d. Cargo values

9. What is the function of a "Floating policy" in Marine Insurance?
a. Covers a specific vessel
b. Covers multiple shipments within a specified period
c. Covers a specific time period
d. Covers a specific cargo

10. What is a "Valued policy" in Marine Insurance?
a. Policy with high premiums
b. Policy with a fixed sum insured
c. Policy with adjustable coverage
d. Policy with variable premiums

11. What is the primary focus of Marine Insurance when it comes to risk coverage?
a. Land-based risks
b. Airborne risks
c. Maritime risks
d. Space-related risks

12. Which type of Marine Insurance policy is more suitable for covering a specific shipment with a known value?
a. Voyage policy
b. Time policy
c. Floating policy
d. Valued policy

13. What does the term "Particular Average" refer to in Marine Insurance?
a. A specific type of policy
b. A specific type of loss
c. A specific type of vessel
d. A specific type of premium

14. In Marine Insurance, what is a "General Average" loss?
a. A loss shared proportionally by all parties
b. A total loss of a specific shipment
c. Loss due to natural disasters
d. Loss due to piracy

15. What is the primary purpose of "Intimate Clause" in Marine Insurance?
a. Covering war-related risks
b. Covering mechanical breakdowns
c. Covering piracy risks
d. Covering damage caused by latent defects

16. What does the term "Perils of the Sea" refer to in Marine Insurance?
a. Risks associated with the vessel
b. Risks associated with pirates
c. Risks associated with the cargo
d. Risks associated with natural events

17. Which Marine Insurance policy provides coverage for a specific vessel and its cargo on a continuous basis?
a. Voyage policy
b. Time policy
c. Floating policy
d. Valued policy

18. In Marine Insurance, what is the purpose of a "Freight Policy"?
a. Covers the vessel's maintenance costs
b. Covers the cargo's transportation costs
c. Covers the crew's salaries
d. Covers the insurance premiums

19. What is the role of the "Institute Cargo Clauses" in Marine Insurance policies?
a. Determine policy premiums
b. Specify the terms and conditions of coverage
c. Define the responsibilities of the insured
d. Regulate maritime traffic

20. Which principle in Marine Insurance emphasizes that the insured must have an insurable interest in the subject matter at the time of loss?
a. Principle of indemnity
b. Principle of insurable interest
c. Principle of subrogation
d. Principle of utmost good faith

ANSWERS

1.b, 2.c, 3.b, 4.c, 5.c, 6.c, 7.a, 8.b, 9.b, 10.b, 11.c, 12.d, 13.b, 14.a,
15.d, 16.d, 17.c, 18.b, 19.b, 20.b

5 mark questions

1. Explain the principles of Marine Insurance and how they contribute to the functioning of the marine insurance industry. Provide examples to illustrate each principle.

2. Discuss the functions of Marine Insurance and elaborate on its role in risk management within the maritime industry. How does it benefit both insurers and policyholders?

3. Differentiate between the three main types of marine policies: Voyage policy, Time policy, and Floating policy. Provide scenarios in which each type would be most appropriate.

4. Define "Warranties" in the context of Marine Insurance. How do warranties impact the validity of a marine insurance policy, and what role do they play in risk assessment?

5. Explore the various kinds of marine losses that can occur. Provide examples of each type and discuss how insurers handle claims associated with these losses.

6. Evaluate the advantages and disadvantages of a Voyage policy in comparison to a Time policy in Marine Insurance. In what situations would one be preferable over the other?

7. Discuss the concept of a "Valued policy" in Marine Insurance. How does it differ from other types of policies, and what factors are considered when determining the value of the policy?

8. Elaborate on the role of a "Floating policy" in Marine Insurance. How does it provide flexibility for policyholders, and what types of businesses or shipments is it most suitable for?

9. Explain the importance of "Particular Average" in Marine Insurance. Provide examples of situations where particular average losses might occur and their impact on the insured.

10. Discuss the concept of "General Average" in Marine Insurance. How is this type of loss calculated, and how does it involve the contributions of all parties involved in the voyage?

11. Explore the significance of the "Intimate Clause" in Marine Insurance. How does it address losses related to latent defects, and in what ways does it protect the interests of the insured?

12. Evaluate the role of "Perils of the Sea" in Marine Insurance. Provide examples of specific perils and discuss how these events may impact the insured's cargo or vessel.

13. Discuss the purpose and significance of a "Freight Policy" in Marine Insurance. How does it differ from other types of marine policies, and what risks does it primarily cover?

14. Explain the relevance of "Institute Cargo Clauses" in Marine Insurance policies. How do these clauses standardize coverage terms, and why are they important for both insurers and insured parties?

15. Assess the impact of technological advancements on the field of Marine Insurance. How has technology influenced risk assessment, claims processing, and overall efficiency in the industry?

16. Discuss the ethical considerations in Marine Insurance, focusing on issues such as fair claims settlements, transparent policy terms, and the duty of utmost good faith between insurers and insured parties.

17. Analyze the role of reinsurance in the context of Marine Insurance. How does reinsurance help insurers manage risks associated with maritime activities, and what benefits does it offer?

18. Explore the future trends in Marine Insurance. How might environmental concerns, regulatory changes, and global events shape the landscape of marine insurance in the coming years?

19. Evaluate the impact of international trade agreements on the demand for Marine Insurance. How do changes in global trade relationships affect the risks and coverage needs in the maritime industry?

20. Discuss the challenges and opportunities faced by the Marine Insurance industry in adapting to climate change. How do rising sea levels, extreme weather events, and other climate-related factors influence risk assessments and coverage options?

10 mark questions

1. Provide a comprehensive overview of the Principles of Marine Insurance. How do these principles form the foundation for the effective functioning of the marine insurance industry?

2. Explore the historical evolution of Marine Insurance and its relevance in modern maritime commerce. Highlight key milestones and changes in the industry over the years.

3. Analyze the primary functions of Marine Insurance and how they contribute to risk management in the maritime sector. Discuss specific examples to illustrate these functions.

4. Compare and contrast the three main types of marine policies: Voyage policy, Time policy, and Floating policy. Discuss the suitability of each policy type for different maritime activities and businesses.

5. Define and explain the concept of "Warranties" in Marine Insurance. How do warranties impact policy coverage, and what are the legal implications of breaching a warranty?

6. Elaborate on the different kinds of marine losses that can occur, including Particular Average, General Average, and Constructive Total Loss. Provide detailed examples of each type and how claims are typically handled.

7. Evaluate the role and significance of "Valued policy" in Marine Insurance. Discuss the factors that influence the determination of the insured value and the implications for both insurers and policyholders.

8. Discuss the advantages and disadvantages of a "Floating policy" in Marine Insurance. How does it provide flexibility for businesses, and what risk management strategies can be employed under a floating policy?

9. Explore the ethical considerations in Marine Insurance, focusing on fair claims settlements, transparency in policy terms, and the duty of utmost good faith between insurers and insured parties.

10. Assess the impact of technological advancements on the risk assessment and claims processing functions of Marine Insurance. How has technology influenced the efficiency and accuracy of these processes?

11. Discuss the concept of "Particular Average" in detail, including its calculation and the implications for the insured. Provide real-world examples to illustrate situations where particular average losses may occur.

12. Explain the calculation and significance of "General Average" in the context of Marine Insurance. How is the general average loss shared among the parties involved in a maritime voyage?

13. Evaluate the role of the "Intimate Clause" in Marine Insurance. How does it address losses related to latent defects, and in what ways does it provide protection to the insured?

14. Discuss the concept of "Perils of the Sea" and their impact on Marine Insurance. Provide examples of specific perils and analyze how they may affect the insured's cargo or vessel.

15. Explore the purpose and significance of a "Freight Policy" in Marine Insurance. How does it differ from other types of marine policies, and what risks does it primarily cover?

16. Assess the impact of international trade agreements and geopolitical factors on the demand for Marine Insurance. How do changes in global trade relationships influence the risks and coverage needs in the maritime industry?

17. Examine the role of reinsurance in the context of Marine Insurance. How does reinsurance help insurers manage risks associated with maritime activities, and what benefits does it offer to both primary insurers and reinsurers?

18. Analyze the future trends and challenges facing the Marine Insurance industry. How might climate change, technological innovations, and evolving trade patterns impact theindustry in the coming years?

19. Discuss the challenges and opportunities for Marine Insurance in the era of digitalization. How can the industry leverage technology to enhance risk assessment, underwriting, and claims processing?

20. Evaluate the environmental sustainability initiatives within the Marine Insurance sector. How can the industry contribute to mitigating environmental risks and promoting sustainable practices in maritime commerce?

Unit-IV

1. What is the primary focus of Fire Insurance?
a. Coverage for natural disasters
b. Coverage for fire-related risks
c. Coverage for theft
d. Coverage for health risks

2. What principles of law are commonly applied to Fire Insurance?
a. Insurable interest and utmost good faith
b. Principle of subrogation and floating policy
c. Indemnity and double insurance
d. Marine clauses and warranties

3. What does "fire waste" refer to in the context of Fire Insurance?
a. Loss of property due to fire
b. Efficient use of fire safety measures
c. Wasteful disposal of fire-damaged goods
d. Measures to prevent fire hazards

4. How do hazard types influence Fire Insurance policies?
a. They determine premium rates
b. They affect the insurability of the property
c. They dictate the coverage period
d. They determine the claims settlement process

5. Which principle emphasizes that the insured must have a genuine financial interest in the property insured against fire?
a. Principle of indemnity
b. Principle of subrogation
c. Principle of insurable interest
d. Principle of contribution

6. What is the purpose of the "Floating Policy" in Fire Insurance?
a. Covers a specific property for a specific time period
b. Covers multiple properties under a single policy
c. Covers fire hazards in high-risk areas
d. Covers properties during a specific event

7. What type of Fire Insurance policy covers the loss of profits due to business interruption caused by fire?
a. Valued policy
b. Consequential loss policy
c. Specific policy
d. Replacement cost policy

8. In Fire Insurance, what does the term "indemnity" mean?
a.Compensation for loss
b. Prevention of fire hazards
c. The policyholder's financial interest
d. Types of fire policies

9. What type of hazard refers to the physical or structural characteristics of a property that increase the likelihood of fire?
a. Moral hazard
b. Physical hazard
c. Speculative hazard
d. Legal hazard

10. What is the significance of the "Replacement Cost Policy" in Fire Insurance?
a. It covers the cost of replacing damaged property with new property
b. It covers the cost of fire prevention measures
c. It covers the cost of legal fees in case of fire-related disputes
d. It covers the cost of fire damage assessment

11. Which type of fire hazard is related to the character and habits of the individuals involved in the ownership or management of the property?
a. Moral hazard
b. Physical hazard
c. Speculative hazard
d. Legal hazard

12. What is the primary purpose of the "Specific Policy" in Fire Insurance?
a. Covers multiple properties under a single policy
b. Covers a specific property for a specific time period
c. Covers fire hazards in high-risk areas
d. Covers properties during a specific event

13. Which type of Fire Insurance policy covers the cost of construction materials and labour in rebuilding a damaged structure?
a. Valued policy
b. Consequential loss policy
c. Specific policy
d. Replacement cost policy

14. In Fire Insurance, what does the term "co-insurance" refer to?

a. Joint coverage for fire and flood risks
b. Joint coverage for multiple properties
c. Shared coverage between multiple insurers
d. Shared coverage between the insurer and the policyholder

ANSWERS

1.b, 2.a, 3.c, 4.b, 5.c, 6.b, 7.b, 8.a, 9.b, 10.a, 11.a, 12.b, 13.d, 14.c.

5 mark questions

1. Explain the Principles of Law as applied to Fire Insurance. How do these principles ensure fairness and balance between insurers and policyholders in the event of a fire-related loss?

2. Discuss the significance of the Principle of Indemnity in Fire Insurance. How does this principle influence the calculation of claims and the overall risk management strategy for insurers?

3. Define "Fire waste" in Fire Insurance and elaborate on its implications for insurers and policyholders. How can the concept of fire waste be minimized in risk management practices?

4. Differentiate between physical hazard, moral hazard, and moral hazard in the context of Fire Insurance. Provide examples of each type and explain how insurers address these hazards.

5. Explore the concept of "Utmost Good Faith" in Fire Insurance. How does this principle require policyholders to disclose information, and what are the consequences of failing to adhere to it

6. Define the "Floating policy" in Fire Insurance and discuss its advantages for businesses with multiple properties. How does it provide flexibility in coverage for policyholders?

7. Evaluate the role of the "Valued policy" in Fire Insurance. How does it simplify claims settlement processes, and what considerations are taken into account when determining the insured value?

8. Explain the purpose and significance of a "Time policy" in Fire Insurance. Under what circumstances would a business or individual opt for this type of policy over others?

9. Discuss the types of hazards that can affect Fire Insurance, with a focus on physical hazards. How can insurers access and manage risks associated with physical hazards effectively?

10. Elaborate on the concept of "Morale hazard" in Fire Insurance. How does the indifference or lack of concern for fire safety by policyholder's impact risk assessment and premium calculations?

11. Define and explain the "Intimate Clause" in Fire Insurance. How does it address latent defects and what role does it play in protecting the interests of the insured?

12. Discuss the role of "Specific policy" in Fire Insurance. Provide examples of situations where a specific policy would be more suitable than other types of fire policies.

13. Explore the concept of "Fire waste ratio" in Fire Insurance. How is this ratio calculated, and how does it assist insurers in evaluating the efficiency of fire fighting efforts?

14. Define "Moral hazard" in Fire Insurance and discuss the challenges it poses for insurers. What measures can insurers take to mitigate the impact of moral hazards?

15. Explain the types of fire policies with a focus on "Floating policies." How do floating policies cater to the evolving needs of businesses with multiple properties or dynamic inventory?

16. Discuss the ethical considerations in Fire Insurance, particularly concerning fair claims settlements and transparent policy terms. How can insurers maintain ethical practices in the industry?

17. Define "Perils of the Fire" and provide examples of specific perils. How do these perils influence the source and spread of fires, impacting the assessment of fire-related risks?

18. Elaborate on the concept of "Fire waste" and its impact on claims settlements. How can insurers and policyholders work collaboratively to reduce the occurrence of fire waste?

19. Discuss the role of "Time policy" in Fire Insurance. How does the coverage period of a time policy affect the policyholder's risk exposure, and what factors should be considered when choosing this type of policy?

20. Evaluate the environmental sustainability initiatives within the Fire Insurance sector. How can the industry contribute to mitigating environmental risks and promoting sustainable practices in fire-related risk management?

10 mark questions

1. Explain in detail the Principles of Law as applied to Fire Insurance. How do these principles ensure a fair and balanced relationship between insurers and policyholders? Provide examples to illustrate these principles in practice.

2. Evaluate the role of the Principle of Indemnity in Fire Insurance. How does this principle influence the calculation of claims and contribute to the overall risk management strategies employed by insurers?

3. Analyze the concept of "Fire waste" in Fire Insurance. How does fire waste occur, and what measures can insurers implement to minimize its occurrence?

4. Differentiate between physical hazard, moral hazard, and moral hazard in the context of Fire Insurance. Provide detailed examples of each type and discuss how insurers can effectively identify and mitigate these hazards.

5. Explore the ethical considerations related to the Principle of Utmost Good Faith in Fire Insurance. How does this principle shape the relationship between insurers and policyholders, and what are the consequences of a breach of utmost good faith?

6. Discuss the characteristics and advantages of a "Floating policy" in Fire Insurance. How does this type of policy cater to the needs of businesses with multiple properties or dynamic inventory?

7. Evaluate the purpose and significance of a "Valued policy" in Fire Insurance. How does it simplify the claims settlement process, and what factors are considered when determining the insured value?

8. Explain the features and applications of a "Time policy" in Fire Insurance. Under what circumstances is a time policy more suitable than other types, and how does it address the evolving needs of policyholders?

9. Discuss the types of hazards that impact Fire Insurance, with a focus on physical hazards. How can insurers access and manage risks associated with physical hazards effectively?

10. Elaborate on the concept of "Morale hazard" in Fire Insurance. How does the indifference or lack of concern for fire safety by policyholder’s impact risk assessment, and what strategies can insurers employ to address morale hazards?

11. Define and discuss the implications of the "Intimate Clause" in Fire Insurance. How does it address latent defects, and what role does it play in protecting the interests of the insured?

12. Evaluate the role and significance of a "Specific policy" in Fire Insurance. Provide examples of situations where a specific policy would be more suitable than other types, and how does it address unique risk scenarios?

13. Explore the concept of "Fire waste ratio" in Fire Insurance. How is this ratio calculated, and how does it assist insurers in evaluating the efficiency of fire fighting efforts and loss prevention measures?

14. Define "Moral hazard" in Fire Insurance and discuss the challenges it poses for insurers. What measures can insurers take to identify and mitigate the impact of moral hazards effectively?

15. Discuss the ethical considerations in Fire Insurance, focusing on fair claims settlements, transparent policy terms, and the duty of utmost good faith. How can insurers maintain ethical practices to build trust with policyholders?

16. Define "Perils of the Fire" and provide examples of specific perils. How do these perils influence the source and spread of fires, impacting the assessment of fire-related risks by insurers?

17. Analyze the impact of "Fire waste" on claims settlements in Fire Insurance. How can insurers streamline the claims process and work collaboratively with policyholders to reduce the occurrence of fire waste?

18. Evaluate the role and significance of a "Time policy" in Fire Insurance. How does the coverage period of a time policy affect the policyholder's risk exposure, and what factors should be considered when choosing this type of policy?

19. Discuss the challenges and opportunities for Fire Insurance in adapting to technological advancements and changes in risk landscapes. How can the industry leverage technology to enhance risk assessment, underwriting, and claims processing?

20. Explore the environmental sustainability initiatives within the Fire Insurance sector. How can the industry contribute to mitigating environmental risks and promoting sustainable practices in fire-related risk management?

UNIT-V

MCQ QUESTIONS

1. What is the primary purpose of a Cover Note in insurance?
a. Final policy document
b. Temporary coverage document
c. Claims settlement document
d. Premium payment document

2. What is the main goal of surveys and inspections in insurance?
a. Expedite claim processing
b. Assess risks and gather information
c. Set premium rates
d. Verify policyholder identity

3. In insurance, what does the term "Particular Average" refer to?
a. Loss shared proportionally among all parties
b. Total loss of a specific item
c. Loss due to a specific cause
d. Loss shared by policyholders in a particular region

4. What is the primary purpose of reinsurance in the insurance industry?
a. Minimize policyholder claims
b. Transfer risk to other insurers
c. Increase premium rates
d. Enhance policy coverage

5. What is a common factor considered during the renewal of insurance policies?
a. Previous claims history
b. Policyholder's age
c. Current market trends
d. Political affiliations

6. Which of the following statements about Cover Notes is true?
a. They provide permanent coverage.
b. They are issued after the policy term.
c. They are issued without underwriting.
d. They are only applicable to life insurance**.**

7. What is the primary benefit of using advanced technology, such as drones, in insurance surveys?
a. Decreased accuracy
b. Increased efficiency
c. Limited data collection
d. Higher cost

8. In insurance, what does the term "General Average" refer to?
a. A loss shared proportionally by all parties
b. Total loss of a specific item
c. Loss due to a specific cause
d. Loss shared by policyholders in a particular region

9. Which type of reinsurance allows the reinsurer to participate in losses exceeding a certain limit?
a. Facultative reinsurance
b. Treaty reinsurance
c. Excess of loss reinsurance
d. Proportional reinsurance

10. What is a common reason for an insurance company not to renew a policy?
a. Low market demand
b. Policyholder loyalty
c. High claims history
d. Favorable market conditions

ANSWERS

1.b, 2.b, 3.c, 4.b, 5.a, 6.c, 7.b, 8.a, 9.c, 10.c

5 MARK QUESTIONS

1. Explain the significance of Cover Notes in the insurance industry. How do they provide flexibility for insurers and policyholders, and what information is typically included in a Cover Note?

2. Discuss the role of surveys and inspections in the underwriting process. How do insurers utilize information obtained from surveys to assess risks and determine appropriate coverage? Provide examples.

3. Differentiate between Particular Average and General Average in insurance. How do these concepts impact the calculation of losses and the distribution of costs among various parties involved in a claim?

4. Define reinsurance and elaborate on its role in the risk management strategies of insurance companies. What are the advantages and challenges associated with different types of reinsurance arrangements?

5. Explain the concept of policy renewals in insurance. What factors influence the decision to renew or not renew a policy, and how can insurers enhance the renewal experience for policyholders?

6. How do Cover Notes contribute to the efficiency of the insurance industry? Discuss their role in providing immediate coverage and facilitating the issuance of formal policies.

7. Explore the significance of on-site inspections in the insurance industry. How do insurers benefit from conducting physical surveys, and what challenges might arise during this process?

8. Evaluate the impact of Average on the claims settlement process. How does the calculation of Average influence the amount payable by insurers, and what considerations should be taken into account?

9. Discuss the key reasons why insurance companies opt for reinsurance. How does reinsurance enhance the financial stability of insurers, and what role does it play in managing catastrophic risks?

10. Analyze the factors that insurers consider during policy renewals. How do market conditions, claims history, and customer loyalty influence the decision-making process?

11. Compare and contrast Cover Notes with traditional insurance policies. In what situations are Cover Notes more suitable, and how do they benefit both insurers and policyholders?

12. Discuss the ethical considerations related to surveys and inspections in insurance. How can insurers balance the need for information with policyholder privacy and fairness?

13. Explain the concept of Salvage in the context of Average. How does the idea of salvage impact the overall claims settlement process?

14. Explore the challenges associated with reinsurance. What factors can pose challenges for insurers in managing reinsurance relationships, and how can these challenges be addressed?

15. Analyze the importance of customer retention in the insurance industry. How can insurers design renewal strategies to retain policyholders and foster long-term relationships?

16. Assess the role of Cover Notes in facilitating international insurance transactions. How do they contribute to the efficient execution of cross-border insurance arrangements?

17. Discuss the role of advanced technology, such as drones and artificial intelligence, in modernizing the surveys and inspections process. How do these technologies improve efficiency and accuracy?

18. Provide examples of scenarios where Average clauses might lead to disputes between insurers and policyholders. How can insurers proactively address these disputes and maintain positive customer relations?

19. Evaluate the impact of catastrophic events on the reinsurance market. How do large-scale disasters influence reinsurance pricing, availability, and the overall risk landscape for insurers?

20. Discuss the concept of Non-renewal and its implications for policyholders. What factors might lead an insurer to choose not to renew a policy, and how can policyholders prepare for potential non-renewal situations?

10 MARK QUESTIONS

1. In-depth explain the role and importance of Cover Notes in the insurance industry. How do they serve as a bridge between the application and the issuance of a formal insurance policy?

2. Discuss the comprehensive process of conducting surveys and inspections in the insurance underwriting phase. How do insurers use the gathered information to assess risks and determine appropriate coverage?

3. Differentiate between Particular Average and General Average, providing detailed examples for each. How do these concepts impact claims settlements and the distribution of costs among involved parties?

4. Provide a thorough overview of reinsurance, including its types and significance in risk management for insurance companies. How does reinsurance contribute to financial stability, especially in the face of large-scale risks?

5. Explore the entire process of policy renewals in insurance, considering factors such as market conditions, claims history, and customer loyalty. How can insurers optimize the renewal experience for policyholders?

6. Evaluate the advantages and limitations of Cover Notes in the insurance process. How do they contribute to operational efficiency, and what challenges might arise in their use?

7. Analyze the ethical considerations associated with surveys and inspections in the insurance industry. How can insurers balance the need for information with policyholder privacy and fairness?

8. Examine the implications of Average on claims settlements. How does the calculation of Average impact the amount payable by insurers, and what strategies can insurers employ to mitigate disputes?

9. Investigate the reasons why insurance companies opt for reinsurance. How does reinsurance contribute to risk management, and what are the potential drawbacks or challenges associated with reinsurance?

10. Discuss the factors influencing premium rates during policy renewals. How can insurers strike a balance between meeting financial goals and ensuring fair and competitive premiums for policyholders?

11. Compare and contrast Cover Notes with traditional insurance policies. In what scenarios are Cover Notes more suitable, and how do they impact the overall insurance process?

12. Explore the impact of advanced technology, such as drones and artificial intelligence, on modernizing surveys and inspections in insurance. How do these technologies improve

efficiency and accuracy?

13. Elaborate on the concept of Salvage in the context of Average. How does the consideration of salvage affect the overall claims settlement process, and what role does it play in risk mitigation?

14. Examine the challenges associated with reinsurance in detail. What factors pose challenges for insurers in managing reinsurance relationships, and how can these challenges be addressed?

15. Analyze the significance of customer retention in the insurance industry. How can insurers develop effective strategies to retain policyholders and build lasting relationships?

16. Assess the role of Cover Notes in facilitating international insurance transactions. How do they contribute to the smooth execution of cross-border insurance arrangements?

15. Discuss the role of advanced technology, such as drones and artificial intelligence, in modernizing surveys and inspections. How do these technologies improve efficiency and accuracy in data collection?

16. Provide examples of scenarios where Average clauses might lead to disputes between insurers and policyholders. How can insurers proactively address these disputes and maintain positive customer relations?

17. Evaluate the impact of catastrophic events on the reinsurance market. How do large-scale disasters influence reinsurance pricing, availability, and the overall risk landscape for insurers?

18. Discuss the concept of Non-renewal and its implications for policyholders. What factors might lead an insurer to choose not to renew a policy, and how can policyholders prepare for potential non-renewal situations?

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