| Name :     |                                       |
|------------|---------------------------------------|
| Roll No. : | As Phanese (V Exercisity and Explored |

Invigilator's Signature : .....

# CS/MBA /SEM-4/FT/SHM-402/2013 2013 MARITIME FINANCIAL MANAGEMENT

Time Allotted : 3 Hours

Full Marks : 70

The figures in the margin indicate full marks. Candidates are required to give their answers in their own words as far as practicable.

## **GROUP** – A

### (Multiple Choice Type Questions)

- 1. Choose the correct alternatives for any *ten* of the following :  $10 \times 1 = 10$ 
  - i) Pricing policy of export commodity needs to contend with devaluation of a country currency to
    - a) encourage more export orders
    - b) keeping customers happy
    - c) maintain stable export.
  - ii) 10% devaluation of currency leads to
    - a) 5% change in local price
    - b) 10% change in local price
    - c) 15% change in local price.

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- iii) The issue of pricing of export commodity depends upon
  - a) the extent to which exchange rate change can be used to advantage
  - b) the extent to which cost of credit is not borne by the buyer
  - c) the extent to which cost and return on capital cannot be related to the price.
- iv) By selling in foreign currency exporter has assumed himself
  - a) the profit risk
  - b) the exchange risk
  - c) the loss risk.
- v) Buyer and seller agree on opening "account terms" when
  - a) global economy is down
  - b) bank is ready to forward a loan
  - c) there exists relation between buyer and seller irrespective of economy.
- vi) Shipping financial market is
  - a) private market only
  - b) public market only
  - c) both public and private market.
- vii) In documentary credit system, an exporter has a
  - a) confirmed irrevocable credit
  - b) unconfirmed irrevocable credit
  - c) confirmed revocable credit.
- viii) Bill of lading will not be accepted, unless specially authorized and
  - a) used by forwarding agents
  - b) issued and under subject to charter party
  - c) issued by shipping companies.

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ix) Insurance certificate or policy must be stated in the credit and to be accepted legally when

- a) issued by an insurance company or its agent
- b) cover notes issued by brokers
- c) date of policy not later than the end of voyage.
- x) Transferable credits arise when exporter is
  - a) actual manufacturer of the goods
  - b) obtaining goods from a third party
  - c) representative of State or Central Govt.
- xi) Bank Finance for exports can be associated with
  - a) sales on open account
  - b) collection by means of bill of Exchange
  - c) capital and any funds a company is able to borrow.
- xii) Ship financial management is for
  - a) all shareholders
  - b) all company officials
  - c) selected company officials.

#### **GROUP** – **B**

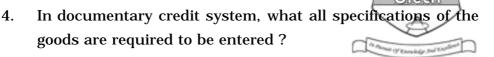
#### ( Short Answer Type Questions )

Answer any *three* of the following.  $3 \times 5 = 15$ 

- 2. How and when payments on "open account" are made ? What are the different means under same by which a debtor pays his supplier ?
- 3. What is a bill of exchange in International Finance and what are its advantages ?

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- 5. What is a bill of lading ? Is it a negotiable or non-negotiable instrument ?
- 6. When is cargo insurance required for export ? When is it not valid ?

# GROUP - C ( Long Answer Type Questions )

Answer any *three* of the following.  $3 \times 15 = 45$ 

- 7. Highlight how a documentary credit system is effected in an export system. What are its limitations ?
- 8. What are the different costs associated in a voyage ? How is the same computed when a vessel is on time charter ?
- 9. Explain the significance of budgeting and accounts maintenance of an International Shipping Company. What are the principal heads in each case ?
- 10. What are financial significance of a charter contract ? How are payments made by a charterer to a ship owner ? In case of defaulters, how is the issue addressed ?
- 11. Write short notes on any *three* of the following :  $3 \times 5$ 
  - a) Back to back credits
  - b) Revolving credits
  - c) Acceptance credits
  - d) Information to be furnished in international TT remittance.

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