



## Dr.G.R.Damodaran College of Science

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I MIB [2017-2019]  
SEMESTER II  
LOGISTICS MANAGEMENT 253B  
Multiple Choice Questions.

1. Logistics grew from the \_\_\_\_\_ function of supplying troops in the field.
- A. Airforce.
  - B. Military.
  - C. Commerce.
  - D. Distribution.

ANSWER: B

2. The logistics is derived from the \_\_\_\_\_ word.
- A. Greek.
  - B. Latin.
  - C. Spanish.
  - D. American.

ANSWER: A

3. The word 'Logistikos' means skilled in
- A. Transportation.
  - B. Documentation.
  - C. Calculation.
  - D. Warehousing.

ANSWER: C

4. The goal of logistics is
- A. to achieve a target level of customer service at lowest possible cost.
  - B. to achieve targeted level of customer service.
  - C. increase in the market share.
  - D. All of the above.

ANSWER: D

5. In the product life cycle, the emphasis in marketing mix during introduction stage is
- A. Distribution.
  - B. Promotion.
  - C. Price.
  - D. Cost reduction.

ANSWER: B

6. In the product life cycle, the emphasis in marketing mix during growth stage is
- A. Distribution.
  - B. Promotion.
  - C. Price.
  - D. Cost reduction.

ANSWER: B

7. In the product life cycle, the emphasis in marketing mix during maturity stage is
- A. Distribution.
  - B. Promotion.
  - C. Price.
  - D. Cost reduction.

ANSWER: C

8. In the product life cycle, the emphasis in marketing mix during decline stage is
- A. Distribution.
  - B. Promotion.
  - C. Price.
  - D. Cost reduction.

ANSWER: D

9. The concept of logistics has been systematically divided into
- A. 2 phases.
  - B. 3 phases.
  - C. 4 phases.
  - D. 5 phases.

ANSWER: A

10. EDI stands for
- A. Electronic Data Interface.
  - B. Electronic Data Interchange.
  - C. Electronic Distribution Intermediary.
  - D. Electronic Documentation Interchange.

ANSWER: B

11. The objective of independent business function stage is
- A. Cost reduction.
  - B. Maximisation of profit by sales volume.
  - C. Core competency.
  - D. Maximisation of profitable sales volume and cost reduction.

ANSWER: B

12. The objective of limited integrated business function stage is
- A. Cost reduction.
  - B. Maximisation of profit by sales volume.
  - C. Core competency.
  - D. Maximisation of profitable sales volume and cost reduction.

ANSWER: A

13. Form utility is created by
- A. Operation function.
  - B. Logistics function.
  - C. Procurement function.
  - D. Distribution function.

ANSWER: A

14. Place utility is created by
- A. Operation function.
  - B. Logistics function.

C. Procurement function.

D. Distribution function.

ANSWER: B

15. The strategic component of logistical mission

A. reflect the vision of top management.

B. deal with basic services required for delivering of goods.

C. refers to the value-added services offered.

D. reflects the ability of firm to exploit market.

ANSWER: A

16. The logistical component of logistics mission

A. reflect the vision of top management.

B. deal with basic services required for delivering of goods.

C. refers to the value-added services offered.

D. reflects the ability of firm to exploit market.

ANSWER: B

17. Inbound and outbound logistics is \_\_\_\_\_ in the generic value chain of logistics.

A. a support activity.

B. a primary activity.

C. not an activity.

D. the only activity.

ANSWER: B

18. HRM is \_\_\_\_\_ in the generic value chain of logistics.

A. a support activity.

B. a primary activity.

C. not an activity.

D. the only activity.

ANSWER: C

19. Competitive advantage can be created and achieved by logistics managers by

A. cost advantage.

B. Quality.

C. value advantage.

D. cost and value advantage.

ANSWER: D

20. Just in time is a practice followed in

A. Japan.

B. America.

C. Britain.

D. China.

ANSWER: A

21. The original sailing vessel were replaced by steam boats in

A. the early 1800s.

B. the late 1800s.

C. the early 1900s.

D. the late 1900s.

ANSWER: A

22. The diesel power was introduced in the

- A. 1910s.
- B. 1920s.
- C. 1930s.
- D. 1940s.

ANSWER: B

23. The range of tankers is from

- A. 1000 to 2000 dwt.
- B. 2000 to 5000 dwt.
- C. 2000 to 50000 dwt.
- D. 2000 to 500000 dwt.

ANSWER: D

24. One third of the world's merchant fleet in dead weight capacity terms is represented by

- A. oil tankers.
- B. product tankers.
- C. LNG tankers.
- D. Acid tankers.

ANSWER: A

25. VLCC is

- A. Very large crude container.
- B. Very large crude carrier.
- C. Very large closed container.
- D. Very large closed carrier.

ANSWER: A

26. VLCC are those vessels with dead weight

- A. less than 200000 dwt.
- B. exceeding 200000 dwt.
- C. above 300000 dwt.
- D. above 500000 dwt.

ANSWER: B

27. ULCC are those vessels with dead weight

- A. less than 200000 dwt.
- B. exceeding 200000 dwt.
- C. above 300000 dwt.
- D. above 500000 dwt.

ANSWER: C

28. OBO stands for

- A. over bulk order.
- B. Oil/Bulk/Ore.
- C. Ore/Bulk/Order.
- D. On bulk order.

ANSWER: B

29. Vessels designed to carry private cars are

- A. OBO.
- B. RO/RO.
- C. SD 14.
- D. Train ferry.

ANSWER: B

30. Vessel designed to carry traditional tramp bulk cargos are

- A. OBO.
- B. RO/RO.
- C. SD 14.
- D. Train ferry.

ANSWER: C

31. The route that helps trade between Western North America and Eastern Asia and that between North America and Australia is

- A. The Cape route.
- B. The South Atlantic route.
- C. The Panama route.
- D. The North Pacific route.

ANSWER: D

32. The opening of Suez canal saved \_\_\_\_\_ nautical miles

- A. 4000.
- B. 4500.
- C. 5000.
- D. 5500.

ANSWER: B

33. The Panama canal was opened in

- A. 1869.
- B. 1914.
- C. 1920.
- D. 1934.

ANSWER: B

34. The first liner company was formed in

- A. 1825.
- B. 1835.
- C. 1837.
- D. 1840.

ANSWER: C

35. The department in the shipping company that ensures the seaworthiness of ship is

- A. husbandry department.
- B. finance department.
- C. technical department.
- D. operating department.

ANSWER: A

36. The department that aims to maximize the economic employment of the ship is

- A. husbandry department.
- B. finance department.
- C. technical department.
- D. operating department.

ANSWER: D

37. The UN convention on Liner code emphasis the right of any country to develop its own merchant shipping fleet to carry \_\_\_\_\_ of its own foreign trade.

- A. 10%.

- B. 20%.
- C. 30%.
- D. 40%.

ANSWER: D

38. The stability of liner freight rates extends for a period of not less than

- A. 6 months.
- B. 12 months.
- C. 15 months.
- D. 18 months.

ANSWER: C

39. General notice of any increase in rate of freight should not be less than

- A. 60 days.
- B. 120 days.
- C. 150 days.
- D. 180 days.

ANSWER: C

40. The document that is used to differentiate liner operations from tramp operations is

- A. bill of entry.
- B. charter party.
- C. letter of credit.
- D. shipping bill.

ANSWER: B

41. The document that is used in imports and not in exports is

- A. bill of entry.
- B. charter party.
- C. letter of credit.
- D. shipping bill.

ANSWER: A

42. ITIC stands for

- A. Indian trade intermediaries co-operation.
- B. Indian trade intermediaries corporation.
- C. Indian trade intermediaries club.
- D. Indian transport intermediaries club.

ANSWER: D

43. Indian companies including ship agents can operate as MTS on obtaining license from

- A. The ministry of commerce.
- B. The chamber of commerce.
- C. The DGFT.
- D. The DG of shipping.

ANSWER: D

44. The document that is used for the MTO is

- A. Bill of lading.
- B. CTD.
- C. ARE.
- D. GR.

ANSWER: B

45. The freight broker's duty of acting for the actual ship owner in finding cargo for the vessel is

- A. chartering duty.
- B. sale and purchase.
- C. owner broker.
- D. cabling broker.

ANSWER: C

46. The freight broker's duty of communicating with other international markets is

- A. chartering duty.
- B. sale and purchase.
- C. owner broker.
- D. cabling broker.

ANSWER: D

47. The shipping inetermediary who is called M 5.5% is

- A. shipping agent.
- B. freight broker.
- C. freight intermediary.
- D. clearing house broker.

ANSWER: C

48. The intermediary who commonly works for imports is

- A. shipping agent.
- B. freight broker.
- C. freight intermediary.
- D. clearing house broker.

ANSWER: D

49. If shipment is not effected within the permitted free days, the goods incur

- A. Dead freight.
- B. Rebate.
- C. Demurrage.
- D. Back freight.

ANSWER: C

50. The permitted free days for the goods to be kept in port for shipment is

- A. 5 days.
- B. 7 days.
- C. 10 days.
- D. 15 days.

ANSWER: B

51. Stevedores are appointed by

- A. the shipper.
- B. the consignee.
- C. the shipping company.
- D. the shipping agent.

ANSWER: C

52. The leading Mazdoor is assisted by

- A. Tindal.
- B. Winch driver.
- C. Signal man.
- D. Mazdoor.

ANSWER: A

53. The labourers are paid on the basis of

- A. monthly wages.
- B. daily wages.
- C. Commission.
- D. work shifts.

ANSWER: D

54. The term which covers the operation of shifting the cargo to or from the vessel is

- A. Rigging.
- B. Slinging.
- C. Carnage.
- D. Forced discharge.

ANSWER: B

55. The term used for loading or unloading of heavy cargo is

- A. Rigging.
- B. Slinging.
- C. Carnage.
- D. Forced discharge.

ANSWER: C

56. How many major ports are there in India?

- A. 10
- B. 12
- C. 13
- D. 15

ANSWER: C

57. The major ports are under the direct responsibility of

- A. The ministry of commerce.
- B. The ministry of shipping.
- C. The central government.
- D. The state government.

ANSWER: C

58. All the major ports are administered under the provisions of the major port and trust Act

- A. 1950.
- B. 1956.
- C. 1963.
- D. 1965.

ANSWER: C

59. The tidal port is

- A. Kandla.
- B. Cochin.
- C. New Mangalore.
- D. Tuticorin.

ANSWER: A

60. The facilities for export of Kudremukk iron ore were specially developed at

- A. Kandla.
- B. Cochin.



C. New Mangalore.

D. Tuticorin.

ANSWER: C

61. The port that handles mainly coal traffic is

A. Kandla.

B. Cochin.

C. New Mangalore

D. Tuticorin.

ANSWER: D

62. The port which was formerly called Nhava Sheva is

A. New Mangalore.

B. Marmugao.

C. JNPT.

D. Vizhag.

ANSWER: C

63. The head quarter of shipping corporation of India is located at

A. Chennai.

B. Mumbai.

C. Delhi.

D. Kolkata.

ANSWER: B

64. FIB stands for

A. Freight In Board.

B. Freight Index Bureau.

C. Freight Investigation Bureau.

D. Freight In Bound.

ANSWER: C

65. The container vessels were formerly called

A. Vessels.

B. Trucks.

C. Vanships.

D. Ships.

ANSWER: C

66. GRP is a classification of container by

A. Raw material.

B. Size.

C. Use.

D. Cargo.

ANSWER: A

67. Insulated container is an example of

A. Container by raw material.

B. Container by size.

C. General cargo container.

D. Thermal container.

ANSWER: D

68. The container that has its base only is

- A. Bulk container.
- B. Flat container.
- C. Garment container.
- D. Special container.

ANSWER: B

69. OTL stands for
- A. Over time lock.
  - B. One time lock.
  - C. One time lease.
  - D. On time landed.

ANSWER: B

70. The location of ICD and CFS is regulated by
- A. The ministry of commerce.
  - B. The ministry of shipping.
  - C. The central government.
  - D. The state government.

ANSWER: A

71. The autonomous public sector undertaking under the Ministry of Railway is
- A. ICD.
  - B. CFS.
  - C. CONCOR.
  - D. CWC.

ANSWER: C

72. The term used for carriage of goods when points of origin and destination are both within the sovereignty of UK is
- A. ULD.
  - B. Classification rate.
  - C. Valuation charge.
  - D. Cabotage.

ANSWER: D

73. The place in a harbour with gates through which water may be let in and out is
- A. Berth.
  - B. Dock.
  - C. Board.
  - D. Wharf.

ANSWER: B

74. A specific place for a ship in harbour is called
- A. Berth.
  - B. Dock.
  - C. Board.
  - D. Wharf.

ANSWER: A

75. A wooden or stone structure at which vessels are moored for (un)loading is
- A. Berth.
  - B. Dock.
  - C. Board.
  - D. Wharf.

ANSWER: D

76. The charge that is levied by railways when a consignment received at destination is not taken delivery of within the admissible free time is

- A. Demurrage.
- B. Wharfage.
- C. Freight.
- D. Rebate.

ANSWER: B

77. The cargo manifested but not loaded is referred to as

- A. Short landed.
- B. Short shipped.
- C. Short of exchange.
- D. Short load.

ANSWER: B

78. Conference system is an association of \_\_\_\_\_ shipowners.

- A. Liner.
- B. Tramp.
- C. Tankers.
- D. Container.

ANSWER: A

79. The first shipping company was established in

- A. 1850.
- B. 1865.
- C. 1875.
- D. 1885.

ANSWER: C

80. The immediate rebate system grants \_\_\_\_\_ of rebate.

- A. 1%.
- B. 1.5%.
- C. 2%.
- D. 2.5%.

ANSWER: B

81. Charter party is a \_\_\_\_\_ word 'Charta Partitia' meaning divided document.

- A. Latin.
- B. Greek.
- C. Spanish.
- D. Chinese.

ANSWER: A

82. The ship being chartered for a specific voyage between places is

- A. Time charter.
- B. Voyage charter.
- C. Demise charter.
- D. Tanker charter.

ANSWER: B

83. The chartering where the ship is chartered just as a hull is

- A. Time charter.

- B. Voyage charter.
- C. Demise charter.
- D. Tanker charter.

ANSWER: C

84. The international tanker nominal freight scale Association Ltd is located in

- A. London.
- B. New York.
- C. Australia.
- D. Germany.

ANSWER: A

85. The New York based American Tanker rate scale was set up in

- A. 1962.
- B. 1956.
- C. 1969.
- D. 1971.

ANSWER: B

86. BFI stands for

- A. Buffer Freight Index.
- B. Baltic Freight Index.
- C. Better Freight Index.
- D. Bombay Freight Index.

ANSWER: B

87. The freight charges that include the cost of depreciation and registration is

- A. Fixed cost.
- B. Semi-fixed cost.
- C. Variable cost.
- D. Semi-variable cost.

ANSWER: A

88. The cost of fuel, lubricating oil and accessories included in freight charges is

- A. Fixed cost.
- B. Semi-fixed cost.
- C. Variable cost.
- D. Semi-variable cost.

ANSWER: C

89. Contract of affreightment is the term used for the carriage of goods by

- A. Air.
- B. Sea.
- C. Road.
- D. Rail.

ANSWER: D

90. The freight amount that is paid before the delivery of goods is

- A. Lumpsum.
- B. Dead.
- C. Advance.
- D. Back.

ANSWER: C

91. The ship owner is entitled to claim \_\_\_\_\_ freight for unoccupied space.

- A. Lumpsum.
- B. Dead.
- C. Advance.
- D. Back.

ANSWER: B

92. The freight that is charged when cargo is assessed on a percentage of its value is

- A. Lumpsum.
- B. Dead.
- C. Advance.
- D. Back.

ANSWER: C

93. The freight for the goods that compress on voyage and expand on expand on unloading is charged on

- A. Value.
- B. Compressed nature.
- C. Expanded nature.
- D. Weight.

ANSWER: B

94. If the lien for freight is not discharged within \_\_\_\_\_ days, the wharfinger may sell the goods by public auction.

- A. 30 days.
- B. 45 days.
- C. 90 days.
- D. 120 days.

ANSWER: C

95. The delivery of a damaged product has

- A. An increase in its value.
- B. A decrease in its value.
- C. No change in its value.
- D. Better demand.

ANSWER: B

96. Unreliability of vendors leads to

- A. Production uncertainty.
- B. Process uncertainty.
- C. Demand uncertainty.
- D. Supply uncertainty.

ANSWER: D

97. The number of stages that the goods and services flow through

- A. Add to the complexity of SCM.
- B. Relaxes the complexity of SCM.
- C. Brings no change in complexity of SCM.
- D. Ensures better quality.

ANSWER: A

98. The business activity of farming out identified non-core activities to external agencies is

- A. Logistics.
- B. SCM.
- C. Outsourcing.

D. Distribution.

ANSWER: C

99. The warehouses managed by a public warehousing agency in the premises of a factory is

- A. Field warehouse.
- B. Buffer storage warehouse.
- C. Bonded warehouse.
- D. Export and import warehouse.

ANSWER: A

100. The warehouses located near the port is

- A. Field warehouse.
- B. Buffer storage warehouse.
- C. Bonded warehouse.
- D. Export and import warehouse.

ANSWER: D

101. The warehousing function that combines the logistical flow of several small shipments to a specific market area is

- A. Break bulk function.
- B. Operational function.
- C. Stockpiling function.
- D. Consolidation function.

ANSWER: D

102. The transportation model coordinated between railways and roadways is

- A. Transship.
- B. Airtruck.
- C. Piggyback.
- D. Fishyback.

ANSWER: C

103. The transportation system that is an outcome of combination of air and roadways is

- A. Transship.
- B. Airtruck.
- C. Piggyback.
- D. Fishyback.

ANSWER: B

104. Booking of shipping space in advance is helpful to an exporter in

- A. Saving in freight charges.
- B. Availing bank finance.
- C. Getting priority on inland movement of cargo by all.
- D. None of the above.

ANSWER: C

105. A mate's receipt is

- A. A draft bill of lading.
- B. A substitute bill of lading.
- C. Bill of lading evidencing goods carried on deck.
- D. None of the above.

ANSWER: D

106. According to the Multimodal Transportation of Goods Act, a multimodal transport document cannot be

- A. A bearer instrument.
- B. An order instrument.
- C. A non-negotiable instrument.
- D. None of the above.

ANSWER: D

107. The following incoterm cannot be used for contracts providing for transportation of goods by sea

- A. CFR.
- B. DDP.
- C. DES.
- D. DEQ.

ANSWER: B

108. The incoterm providing or least responsibility to seller is

- A. EXW.
- B. DDP.
- C. FOB.
- D. CIF.

ANSWER: A

109. The group of incoterms under which the seller's responsibility is to obtain freight paid transport document for the main carriage is

- A. E terms.
- B. C terms.
- C. D terms.
- D. F terms.

ANSWER: B

110. The price quoted by the seller for the product

- A. Will vary depending upon the incoterm chosen.
- B. Is irrespective of the incoterm.
- C. Will be the base price.
- D. None of the above.

ANSWER: A

111. Packaging performs two functions. \_\_\_\_\_ and logistics.

- A. Distribution.
- B. Store keeping.
- C. Material handling.
- D. Marketing.

ANSWER: D

112. The outcome of the independent business function era was

- A. aggressive preaching skill.
- B. price -based competition.
- C. customer value and harmonious relation.
- D. increased productivity, profitability and market share.

ANSWER: A

113. The outcome of limited integrated business function was

- A. aggressive preaching skill.
- B. price based competition.
- C. customer value and harmonious relation.
- D. increased productivity, profitability and market share.

ANSWER: B

114. The outcome of internally integrated business function was

- A. aggressive preaching skill.
- B. price based competition.
- C. customer value and harmonious relation.
- D. increased productivity, profitability and market share.

ANSWER: C

115. The outcome of externally integrated business function was

- A. aggressive preaching skill.
- B. price based competition.
- C. customer value and harmonious relation.
- D. increased productivity, profitability and market share.

ANSWER: D

116. The period of existence of independent business function was

- A. till 1950s.
- B. 1960s to 1970s.
- C. 1980s.
- D. 1990s.

ANSWER: A

117. The non -logistical component of logistics mission

- A. reflect the vision of top management.
- B. deal with basic services required for delivering of goods.
- C. refers to the value-added services offered.
- D. reflects the ability of firm to exploit market.

ANSWER: C

118. The service mission of logistics

- A. reflects the ability of firm to exploit market.ment.
- B. deal with basic services required for delivering of goods.
- C. refers to the value-added services offered.
- D. reflect the vision of top manage

ANSWER: A

119. Marketing and sales is \_\_\_\_\_ in the generic value chain of logistics.

- A. the only activity
- B. a primary activity.
- C. not an activity.
- D. a support activity.

ANSWER: A

120. A well defined corporate vision

- A. reflects the capability of the management to think beyond the current way.
- B. reflects the extent of use of logistical component for competitive advantage.
- C. ensures effective implementation of logistics strategy.
- D. deals with managing change.

ANSWER: A

121. The logistics strategic analysis

- A. reflects the capability of the management to think beyond the current way.
- B. reflects the extent of use of logistical component for competitive advantage.



- C. ensures effective implementation of logistics strategy.
- D. deals with managing change.

ANSWER: B

122. Vessels that carry railway passenger and freight rolling stock are

- A. OBO.
- B. RO/RO.
- C. SD 14.
- D. Train ferry.

ANSWER: D

123. Combination carrier is a unifixed cargo carrier combining container and

- A. OBO.
- B. RO/RO.
- C. SD 14.
- D. Train ferry.

ANSWER: B

124. The shipping route that lies between Western Europe, Eastern Canada and the United States is

- A. The North Atlantic route.
- B. The Mediterranean - Red Sea -Indian Ocean route.
- C. The Cape route.
- D. The South Atlantic route.

ANSWER: A

125. The sailing route that connects North Western Europe with the Eastern Europe,Southern and Eastern Asia, Australia and New Zealand is

- A. The North Atlantic route..
- B. The Mediterranean -Red Sea - Indian Ocean route.
- C. The Cape route.
- D. The South Atlantic route.

ANSWER: B

126. The route connecting Western Europe, Africa and Australia is

- A. The Cape route.
- B. The South Atlantic route.
- C. The Panama route.
- D. The North Pacific route.

ANSWER: A

127. The route lying between South Eastern South America and North Western Europe and Mediterranean is

- A. The Cape route.
- B. The South Atlantic route.
- C. The Panama route.
- D. The North Pacific route.

ANSWER: B

128. An advantage of a channel of distribution over selling direct to consumers is that each channel member plays a \_\_\_\_\_ in the channel.

- A. time-saving part.
- B. disciplinary role.
- C. specialized role.
- D. informational role.

ANSWER: C

129. Historically, conventional channels have lacked the leadership to \_\_\_\_\_.

- A. assign member roles and manage conflict.
- B. attain efficiency and assign member roles.
- C. set standard pricing and promotions.
- D. set standard pricing and packaging.

ANSWER: B

130. A channel consisting of one or more independent producers, wholesalers or retailers that are seeking to maximize their own profits even at the expense of profits for the channel as a whole is a \_\_\_\_\_.

- A. administered vertical marketing system.
- B. conventional distribution channel.
- C. vertical marketing system.
- D. independent channel allocation.

ANSWER: A

131. A corporate VMS has the advantage of controlling the entire distribution chain under \_\_\_\_\_.

- A. single ownership.
- B. a few intermediaries.
- C. little control.
- D. a profit-maximizing strategic plan.

ANSWER: B

132. A distinguishing feature of a contractual VMS is that coordination and conflict management among the independent members of the channel are attained through \_\_\_\_\_.

- A. working partnerships.
- B. limited liability corporations.
- C. natural competitive forces.
- D. oral agreements.

ANSWER: A

133. \_\_\_\_\_ is / are the basic tools for determining competitor costs.

- A. Cost drivers.
- B. A value chain.
- C. Cost cutters.
- D. A value analysis.

ANSWER: B

134. Cost efficiency is determined by which of the following drivers?

- A. Supply Costs, Experience, Product/Process Design and Economies of Scale.
- B. Supply Costs & Economies of Scale.
- C. Product/Process Design and Economies of Scale.
- D. Experience.

ANSWER: B

135. The value chain attempts to identify those activities which add value to:

- A. The organisation's stakeholders.
- B. The senior strategic managers in the organization.
- C. The organisation's shareholders.
- D. The customer or final user.

ANSWER: D

136. Adoption of incoterm is

- A. Compulsory for all international contracts.

- B. Compulsory for all letter of credit transactions.
- C. Optional for the parties to the contract.
- D. Mandatory for transactions with Europe.

ANSWER: C

137. Strategic stretch involves:

- A. The fit between the organisation and its environment.
- B. Creating new opportunities by stretching and exploiting capabilities in new ways.
- C. The skills of the senior management.
- D. Utilising all the resources of an organisation to their full capacity.

ANSWER: A

138. Incoterm is specific about the responsibility for marine insurance in case of

- A. FOB and EXW.
- B. FOB and CIF.
- C. CIF and CIP.
- D. CPT and DDP.

ANSWER: C

139. The price quoted by the seller for the product

- A. Will vary depending upon the incoterm chosen.
- B. Is irrespective of the incoterm.
- C. Will be the base price.
- D. None of the above.

ANSWER: A

140. The incoterm should indicate the place of shipment in case of

- A. F terms.
- B. E terms.
- C. C terms.
- D. D terms.

ANSWER: A

141. The group of terms arranged in order of increasing responsibility of exporter is

- A. C,D,E and E terms.
- B. D,E,F and C terms.
- C. E,F,C and D terms.
- D. F,C,E and D terms.

ANSWER: C

142. Incoterms cover

- A. Trade in intangibles.
- B. Ownership and transfer rights.
- C. Contracts of carriage.
- D. Rights and obligations of parties to contract of sales.

ANSWER: D

143. Airway bill is prepared in

- A. three originals.
- B. Quadruplicate.
- C. As many copies as required.
- D. One original only.

ANSWER: A

144. The following transport document is acceptable under a letter of credit

- A. House airway bill.
- B. House bill of lading.
- C. Warehouse receipt.
- D. Tramp bill of lading.

ANSWER: A

145. Freight to pay bill of lading is acceptable if

- A. The contract term is CIF.
- B. The contract term is CFR.
- C. The contract term is FOB.
- D. Goods are carried by a foreign vessel.

ANSWER: C

146. A transferable credit can be transferred

- A. Once.
- B. Twice.
- C. Thrice.
- D. Any number of times.

ANSWER: A

147. When goods are sent to an agent of an exporter in the importing country, the method of payment adopted is

- A. Open account.
- B. Letter of credit.
- C. Consignment sale.
- D. Document against acceptance.

ANSWER: C

148. The best form of method of payment for an importer would be

- A. Advance remittance.
- B. Letter of credit.
- C. Documents against payment.
- D. Open account.

ANSWER: D

149. The internal process leads to

- A. Supply uncertainty.
- B. Process uncertainty.
- C. Demand uncertainty.
- D. Production uncertainty.

ANSWER: B

150. The flow of information that facilitates operational activities is

- A. Forward information flow.
- B. Backward information flow.
- C. Upward information flow.
- D. Downward information flow.

ANSWER: A

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