

FOREIGN TRADE AND TRANSIT MANAGEMENT

Course No. : MGT 407
Nature of the Course : Elective (Sectoral)
(Theory 75 + Field Work 25)

Full Marks: 100
Pass Mark: 35

Course Objectives

This course aims to: • Provide basic understanding of the theories, processes and components of foreign trade and transit, • Impart practical knowledge of the operational aspects of export, import and transit management in Nepal.

Contents

Introduction LH10

Meaning, characteristics and components of foreign trade, Role of foreign trade in economic development, Importance of foreign trade to a firm, Historical development of international trade

Trade Theories and Key Terminology LH 20

Absolute cost theory, Comparative cost theory, Opportunity cost theory: concept and constant opportunity cost, Factors proportion theory, Terms of trade: types and uses, Gains from trade, Balance of trade and payments: concepts, reasons for disequilibrium, measures for overcoming the disequilibrium, and balance of trade and payment positions of Nepal.

Commercial Policy and Trade Structure LH 20

Free trade Vs. protectionism: concept, features, merits and demerits, Commercial policy and economic development, Commercial policy of Nepal: features and critical review, Features of Nepal's foreign trade, Structure of Nepal's Foreign Trade: direction and composition of foreign trade, Review of Nepal's trade agreement and agreement with India and China

Export Structure and Management LH 30

Role of export in the economic development, Export procedures and documentation in Nepal, Structure of Nepal's export trade: export trend, direction and composition, Problems of export sector in Nepal, Export promotion measures in Nepal, Institutional arrangement for export promotion in Nepal: Role of trade Promotion Centre and FNCCI., Export financing: methods of export financing, export credit and financing in Nepal, Export marketing environment, Product development for export, Export quality control and certification: ISO 9000, Wool Mark and other standards, Export pricing: price factors and methods: Incoterms: meaning and uses, Distribution channels for export markets., Promotion: export advertising, publicity and promotion, international trade fair participation.

Import Structure and Management LH 20

Structure of Nepal's import trade: import trends, direction and composition, Import procedure and

documentation in Nepal, Institutional arrangement for import in Nepal: Role of Department of Commerce/HMG, Nepal Overseas Export Import Association, Nepal Trans-Himalayan Trade Association and Nepal Chambers of Commerce in import trade, Measures for import control: tariff, quota and non-tariff barriers- meaning, uses, classification and effects, Import control measures in Nepal, Problems of Nepal's import sector

Transit Structure and Management LH 10

International principles of transit, Landlockedness and transit, System of transit in Nepal: transit procedure and documentation, Nepal's transit arrangement with India and Bangladesh, Problems associated with transit through, India, Functions of Nepal Transit and Warehousing Co. Ltd., Development of dry port, inland container depot, and multi-modal transportation system in Nepal.

Foreign Trade and International/Regional Organizations LH 10

World Trade Organization: concept, organization and role, Impact on Nepal's trade and industry from membership in WTO, International Trade Centre/UNCTAD: functions and activities in Nepal, SAARC: formation of SAPTA and SAFTA- its impact on Nepal's foreign trade.

Basic Books:

1. Mannur, H.G., *International Economics*, Vikas Publishing House, New Delhi
2. Rathor, R.S., *Export Marketing*, Himalayan Publishing House, Bombay

References

1. Shakya, B.M., *Basics of Trade and Transit*, Educational Book Centre, Kathmandu
2. Shrestha, S.K., *Export Market Management in Nepal*, Padma Educational Enterprise, Kathmandu
3. Nepal Law Society, *Landlocked States and Access to Sea*, Kathmandu
4. Gupta, K.R., *International Economics*, Himalaya Publishing House, Bombay
5. Shakya, B.M., *Foreign Trade and Export Management*, Edutech, Kathmandu
6. Trade Promotion Centre, *Nepal Exporters Handbook*, Kathmandu
7. Shrestha, S.K., *Preferential Trading Arrangement in South Asia*, Vidhyarthi Pustak Bhandar, Kathmandu
8. Publications of TPC, ITC, NTWC, UNCTAD and GATT.

1. INTRODUCTION**SHORT ANSWER QUESTIONS**

1. 2069 Q.No. 1
Define foreign trade and explain its characteristics. [3+7]
2. 2068 Q.No. 1
Define foreign trade and explain its characteristics. 3+7
3. 2067 Q.No. 1
Explain the components of foreign trade 10
4. 2066 Q.No. 1
Explain the importance of foreign trade to the society. 10
5. 2065 Q. No. 1
Explain the importance of foreign trade to a firm. 10
6. 2064 Q.No. 1
What is foreign trade? Explain its role in economic development. 4+6
7. 2063 Q. No. 1
Explain the importance of foreign trade to a firm. 10

2. TRADE THEORIES AND KEY TERMINOLOGY**SHORT ANSWER QUESTIONS**

1. 2069 Q.No. 2
What are the basic assumptions of comparative cost theory? Explain its advantages and criticism. [4+3+3]
2. 2068 Q.No. 2
Explain the factor proportion theory of foreign trade. 10
3. 2067 Q.No. 2
What is Absolute Cost Theory of foreign trade? Explain. 10
4. 2066 Q.No. 2
Explain the application of Opportunity Cost Theory in International Trade. 10
5. 2065 Q. No. 2
Explain the Opportunity Cost Theory of International Trade. 10
6. 2064 Q.No. 2
Explain the comparative cost theory. 10
7. 2063 Q. No. 2
Explain the Opportunity Cost Theory of International Trade. 10
8. 2062 Q. No. 1
What is balance of trade and balance of payment? 10

COMPREHENSIVE ANSWER QUESTIONS

8. 2068 Q.No. 9
Show your acquaintance with disequilibrium. Discuss the measures for overcoming disequilibrium. 5+10

WRITE SHORT NOTE ON

9. 2069 Q.No. 8c
Balance of payments [5]

3. COMMERCIAL POLICY AND TRADE STRUCTURE**SHORT ANSWER QUESTIONS**

1. 2069 Q.No. 3
How does commercial policy of Nepal support the economic development of the country? [10]

2. 2068 Q.No. 3
What is 'protectionism'? Is it a good commercial policy for a country like Nepal? 4+6
3. 2067 Q.No. 3
Describe the merits and demerits of free trade. 5+5
4. 2066 Q.No. 3
Why is free trade important? What impacts can free trade have on the economy of Nepal? 4+6
5. 2064 Q.No. 3
Describe the features of Nepal's foreign trade. 10
6. 2062 Q. No. 2
Trace out the major features of Nepal's foreign trade. 10

COMPREHENSIVE ANSWER QUESTIONS

7. 2066 Q.No. 9
Why is commercial policy important? Discuss the features of Nepal's commercial policy. 5+10
8. 2066 Q.No. 10
Discuss the major changes in Nepal's foreign trade in the last ten years. 15
9. 2065 Q. No. 9
What roles do the commercial policy play in the economic development of a country? Discuss the five focuses of Nepal's commercial policy. 5+10
10. 2064 Q.No. 9
Make a difference between free trade and protectionism. Discuss the structure of Nepal's foreign trade. 5+10
11. 2063 Q. No. 9
Discuss the role of commercial policy in the economic development of a country? 15

4. EXPORT STRUCTURE AND MANAGEMENT**SHORT ANSWER QUESTIONS**

1. 2069 Q.No. 4
How is export promotion measured in Nepal? Explain. [10]
2. 2069 Q.No. 7
What methods of export financing are in practice in Nepal? Explain. [10]
3. 2068 Q.No. 4
Point out and explain the problems of export sector in Nepal. 2+8
4. 2068 Q.No. 5
Describe the role of FNCCI in export promotion. 10
5. 2067 Q.No. 4
State and explain the pricing factors that influence export marketing. 10
6. 2067 Q.No. 6
Explain the export procedures and documentation in Nepal. 5+5
7. 2066 Q.No. 4
Describe the procedure and documentation of export trade in Nepal. 10
8. 2066 Q.No. 5
Explain any two export pricing methods. 10
9. 2066 Q.No. 8 OR
Explain the functions of Trade Promotion Centre in promoting of Nepal's exports. 10
10. 2065 Q. No. 5
Explain the price methods followed in export marketing. 10
11. 2065 Q. No. 8 OR
Explain the functions of Trade Promotion Centre in promoting Nepal/s exports. 10

12. 2064 Q.No. 4

Highlight on the role of Federation of Nepalese Chamber of Commerce and Industries (FNCCI) in the promotion of Nepal's foreign trade. 10

13. 2064 Q.No. 8

Suggest a suitable distribution channel for export markets. 10

14. 2063 Q. No. 4

Describe the procedure and documentation of export trade in Nepal. 10

15. 2063 Q. No. 5

Explain the price factors of export marketing. 10

16. 2063 Q. No. 8 OR

Explain the role of Trade Promotion Centre in the promotion of Nepal's exports. 10

17. 2062 Q. No. 3

Discuss the role of Trade Promotion Centre in the promotion of Nepal's foreign trade. 10

18. 2062 Q. No. 4

Briefly explain the export procedure in Nepal. 10

19. 2062 Q. No. 9

Discuss the role of export in the economic development of a nation.

COMPREHENSIVE ANSWER QUESTIONS

20. 2069 Q.No. 9

Explain the composition and roles of Trade Promotion Centre (TPC). [5+10]

21. 2068 Q.No. 10

What are the components of export financing? Discuss the methods of export financing. 5+10

22. 2067 Q.No. 9

Discuss the trends and composition of Nepal's export in the last decade. 5+10

23. 2065 Q. No. 10

Discuss the direction, and composition of Nepal's exports in the last decade. 15

24. 2063 Q. No. 10

Discuss the role of export advertising and international trade fair participation in the promotion of export products. 15

5. IMPORT STRUCTURE AND MANAGEMENT**SHORT ANSWER QUESTIONS**

1. 2068 Q.No. 6

How does tariff help in import control? 10

2. 2067 Q.No. 5

Explain the import control measures followed by Nepal. 10

3. 2066 Q.No. 6

What problems are faced by Nepal's importers? Explain. 10

4. 2065 Q. No. 4

Describe the procedure and documentation of import trade in Nepal. 10

5. 2065 Q. No. 6

What problems are faced by Nepal's importers? Suggest measures to overcome those problems. 5+5

6. 2064 Q.No. 5

What measures are taken by Nepal Government to control import trade? Explain. 10

7. 2063 Q. No. 6

What problems are faced by Nepal's importers? Suggest measures to overcome those problems. 5+5

8. 2062 Q. No. 5

Describe any four documents required to submit while importing goods from overseas countries. 10

9. 2062 Q. No. 8

What is tariff? Point out the effects of tariff in Nepal's overseas trade.

10

COMPREHENSIVE ANSWER QUESTIONS

10. 2062 Q. No. 10

Why is import control necessary? Explain the methods of available for controlling import in Nepal.

5+10

WRITE SHORT NOTE ON

11. 2069 Q.No. 8a

Import quota

[5]

6. TRANSIT STRUCTURE AND MANAGEMENT**SHORT ANSWER QUESTIONS**

1. 2069 Q.No. 6

Explain the functions of Nepal Transit and Warehousing Co. Ltd.

[10]

2. 2068 Q.No. 7

Explain the development and significance of dry port system in Nepal.

5+5

3. 2067 Q.No. 7

Describe any five international principles of transit.

10

4. 2066 Q.No. 7

Explain the transit problems faced by Nepalese foreign traders.

10

5. 2065 Q. No. 7

Explain the transit problems faced by Nepalese foreign traders.

10

6. 2064 Q.No. 6

What is transit? Explain the transit arrangement of Nepal with Bangladesh.

4+6

7. 2064 Q.No. 6 OR

State and explain the functions of Nepal Transit and Warehousing Co. Ltd.

10

8. 2063 Q. No. 7

"Nepal is not only landlocked, but it is also India-locked." Explain the transit problems faced by Nepal in the context of the statement.

10

9. 2062 Q. No. 6

What is transit? Briefly explain the transit arrangement of Nepal with India.

10

10. 2062 Q. No. 6 OR

Briefly explain the transit problems of Nepal in its foreign trade.

10

COMPREHENSIVE ANSWER QUESTIONS

11. 2069 Q.No. 10

Discuss Nepal's transit arrangement with Bangladesh.

[15]

WRITE SHORT NOTE ON

12. 2069 Q.No. 8b

Dry port in Nepal

[5]

7. FOREIGN TRADE AND INTERNATIONAL/ REGIONAL ORGANIZATIONS**SHORT ANSWER QUESTIONS**

1. 2069 Q.No. 5

Explain the roles of WTO in the promotion of foreign trade.

[10]

2. 2068 Q.No. 8

Describe the impact on Nepal's trade and industry after Nepal's membership in WTO.

10

3. 2067 Q.No. 8

What is conceptual difference between SAPTA and SAFTA? Give your arguments in favour of SAPTA.

5+5

4. 2066 Q.No. 8

What impacts has WTO membership in Nepal's economy?

10

5. 2065 Q. No. 3

What impacts free trade may have on the economy of a developing country like Nepal? Explain. 10

6. 2065 Q. No. 8

Why is SAFTA important for Nepal? Give your arguments in favour or against SAFTA. 10

7. 2064 Q.No. 7

Describe the impact of SAFTA on Nepal's foreign trade. 10

8. 2063 Q. No. 3

The major objective of WTO is to promote free trade. What impacts free trade may have on the economy of a under-developed country like Nepal? Explain. 10

9. 2063 Q. No. 8

Explain the impacts of SAFTA in the regional trade structure once it becomes fully functional. 10

10. 2062 Q. No. 7

Give a short introduction of World Trade Organization. 10

COMPREHENSIVE ANSWER QUESTIONS**11. 2067 Q.No. 10**

Give an outline of Nepal's trade agreement and arrangement with India. 15

12. 2064 Q.No. 10

Discuss the impact on Nepal's trade and industry after Nepal's entry into WTO. 15

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Question Bank Nepal