**Importing and Exporting – Logistics 112**

To the instructor:

This file contains original content from the Logistics 112 course at Tacoma Community College, and is a companion document to the available course syllabus, outline, case studies, and PowerPoint files. The content here has been reformatted from the original Learning Management System for ease of use by all educators. There are resources (articles, presentations, videos, etc.) listed that were once active links in the online environment. They are preserved here as “text only,” so an instructor seeking to use these materials can see what was referenced and how it was used for the specific module within the course.

The content of this file is offered “as is” and may not be complete or current. It is intended for instructors who may apply or adapt whatever is helpful for their own purpose and audience.

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| **In Class Activities** | **Activities and Required or Suggested Readings and Resources** |
| **Week 1**  Outlining the main goals of this course.  Introductions and reviewing the syllabus.    Update on U.S. and Washington State exports and imports.    International Sales and Marketing Management.  The Rationale for Exporting and Importing.  The Cycle of Trade. | **Read** Johnson Ch. 1 (Organizing for export and import operations).  **Read**Chapter 1 of A Basic Guide to Exporting:  <http://export.gov/basicguide/eg_main_017244.asp>  **Read** the PowerPoint lecture notes for session 1.    **Post** on the Discussion Board your response to:  Discussion Topic 1.  What do you think makes Washington State a strong exporter, and what possibilities and/or threats do you see to this state's long term exporting success? |
| **Week 2**    International Trade from an Entrepreneur’s and Small Business Standpoint.  How To Get Started in Importing and Exporting.  Market Entry and Distribution Strategies. | **Read** Johnson Ch. 2 (Exporting: Preliminary Considerations)  **Read**Chapter 2 of a Basic Guide to Exporting: <http://export.gov/basicguide/eg_main_017244.asp>  **Read** the PowerPoint lecture notes for session 2.      **Post** on the Discussion Board your response to:  Discussion Topic 2.  Comment on the benefits and drawbacks of the North American Free Trade Agreement.    **Suggested**: **Explore** the website [www.export.gov](http://www.export.gov/).  **Suggested: Review** Appendix A in Johnson. |
| **Week 3**  Issues in Exporting.  Export Procedures.  Export readiness.  PowerPoint presentation: Developing an Export Plan | **Read** Johnson Ch. 3 (Exporting: Sales Documentation).  **Read** Chapters 3 and 4 of A Basic Guide to Exporting: <http://export.gov/basicguide/eg_main_017244.asp>  **Read** the power point lecture notes for session 3.    **Post** on the Discussion Board your response to:  Discussion Topic 3.  Federal, state and local governments are spending considerable financial and staff resources on assisting exporters.  Is this a wise usage of public funds, or could it be construed as corporate welfare.  Consider some pros and cons of funding export assistance and promotion.  **Quiz 1** |
| **Week 4**  International marketing channel management.  Contracts (individual sales, ongoing sales, and distributorships). | **Read** A Basic Guide to Exporting, chapters 5, 6, 7, 8, 9 and 10: <http://export.gov/basicguide/eg_main_017244.asp>  **Read**Appendix B in Johnson (International Sales Agreement)  **Read** the power point lecture notes for session 4.    **Post** on the Discussion Board your response to:  Discussion Topic 4  Here is a link to an editorialized news story about this proposed merger: <http://www.hutchnews.com/todaystop/BC-US--Obama-Trimming-Government-11th-LdWr-20120113-18-10-37>  Please check out the websites of these six agencies (hint: the "Commerce Department's core business and trade functions" are basically found in our familiar export.gov site), then when you have an idea of why these agencies exist, comment on whether it makes sense to combine them.  Your comments can be specific or very broad, and definitely opinionated.  **Suggested:  Read** “How to find & use an Export Management Company” on [www.powerhomebiz.com/vol7/export.htm](http://www.powerhomebiz.com/vol7/export.htm)  **Suggested:  Explore** this EMC site: [www.amexinc.com](http://www.amexinc.com/)  **Suggested**:  **Explore** [www.fita.org/tools](http://www.fita.org/tools) |
| **Week 5**  Export documentation.  Commercial documents.  Payments issues. | **Read** Johnson Ch. 4 (Exporting: Other export documentation)  **Read** A Basic Guide to Exporting, chapters 11, 12, 13 & 14:  <http://export.gov/basicguide/eg_main_017244.asp>  **Read** the PowerPoint lecture notes for session 5.  **Post** on the Discussion Board your response to:  Discussion Topic 5  Without knowing the foreign content of the new composite material airplane, it is likely that it contains a lot more foreign components than any previous Boeing product.  What do you think are benefits and drawbacks of Boeing relying so heavily on foreign suppliers?  Look at it from several perspectives.  **Suggested: Read** “Understanding and Using Letters of Credit, Part I” at <http://www.crfonline.org/orc/cro/cro-9-1.html>  **Suggested: Read** Thomas Friedman article <http://www.nytimes.com/2012/01/29/opinion/sunday/friedman-made-in-the-world.html> |
| **Week 6**  Export regulations.  Export compliance.  Licenses. | **Read** Johnson Ch. 5 (Exporting: Export controls and licenses)  **Read** A Basic Guide to Exporting, chapters 15, 16 and 17:  <http://export.gov/basicguide/eg_main_017244.asp>  **Read** the PowerPoint lecture notes for session 6.    **Post** on the Discussion Board your response to:  Discussion Topic 6.  **Suggested: Explore** the websites [www.bis.doc.gov](http://www.bis.doc.gov/); and [www.census.gov/foreign-trade/www/](http://www.census.gov/foreign-trade/www/)    **Quiz 2** |
| **Week 7**  Import regulations.  Import compliance.  Licenses. | **Read** Johnson Ch. 6 (Importing: Preliminary Considerations)  **Read** the PowerPoint lecture notes for session 7.  **Decide** on topic (product and country) for the student class project.    **Post** on the Discussion Board your response to:  Discussion Topic 7.  Does a rising tide lift all boats, or is globalization creating classes of winners and losers?    **Suggested:  Peruse**Appendices D and E in Johnson (Informed Compliance: Reasonable Care, and Harmonized Tariff Schedule) |
| **Week 8**  Import Management.  Letters of Credit. | **Read** Johnson Ch. 7 (Importing: Purchase Documentation).  **Read** the PowerPoint lecture notes for session 8.    **Post** on the Discussion Board your response to:  Discussion Topic 8.  What can be done to stop the huge flow of counterfeit products?    **Suggested: Read** Appendix F in Johnson (International Purchase Agreement (Import)). |
| **Week 9**  Customs clearance and related issues.  Documentation. | **Read** Johnson Ch. 8 (Importing: Import Process and Documentation).  **Read** the PowerPoint lecture notes for session 9.    **Post** on the Discussion Board your response to:  Discussion Topic 9.  When you shop for things, do you pay attention to where the product is made, and does it matter to you and your purchase decision?    **Suggested: Read**Appendix H in Johnson (Guidance on Internet Purchases), pg. 545-552.  **Suggested: Explore** the website [www.cbp.gov](http://www.cbp.gov/)  **Quiz 3** |
| **Week 10**  Wrap-up, summary and review. | **Read** Johnson Ch. 9 (Specialized Exporting and Importing).  **Read** the PowerPoint lecture notes for session 10.    **Post** on the Discussion Board your response to:  Discussion Topic 10.  Check this link TNT: <http://blog.thenewstribune.com/business/2012/03/08/grand-alliance-picks-tacoma-container-terminal-for-northwest-port-of-call/>  What do you think this will do for Tacoma and Pierce County? |
| **Week 11** | **Final Exam** |

**Recommended Reading**

Here are the chapters that you can download from the new, 2012 edition of A Basic Guide to Exporting,” the official government resource for small and medium-sized businesses.”

From: www.export.gov

Chapter 1: Introduction: THE WORLD IS OPEN FOR BUSINESS (PDF Version)

Chapter 2: DEVELOPING AN EXPORT STRATEGY (PDF Version)

Chapter 3 DEVELOPING A MARKETING PLAN (PDF Version)

Chapter 4: EXPORT ADVICE (PDF Version)

Chapter 5: METHODS AND CHANNELS (PDF Version)

Chapter 6: FINDING QUALIFIED BUYERS (PDF Version)

Chapter 7: USING TECHNOLOGY LICENSING AND JOINT VENTURES (PDF Version)

Chapter 8: PREPARING YOUR PRODUCT FOR EXPORT (PDF Version)

Chapter 9: EXPORTING SERVICES (PDF Version)

Chapter 10: INTERNATIONAL LEGAL CONSIDERATIONS (PDF Version)

Chapter 11: GOING ONLINE: E-EXPORTING TOOLS FOR SMALL BUSINESSES (PDF Version)

Chapter 12: SHIPPING YOUR PRODUCT (PDF Version)

Chapter 13: PRICING, QUOTATIONS, AND TERMS (PDF Version)

Chapter 14: METHODS OF PAYMENT (PDF Version)

Chapter 15: FINANCING EXPORT TRANSACTIONS (PDF Version)

Chapter 16: BUSINESS TRAVEL ABROAD (PDF Version)

Chapter 17: SELLING OVERSEAS AND AFTER-SALES SERVICE (PDF Version)

APPENDIX (PDF Version)

**Quiz 1**

1. The Customs Modernization Act (CMA):
2. Requires importers to have manuals of procedures and documentation for their importing operations.
3. Allows electronic filing of customs entries.
4. Imposes new penalties upon importers and exporters who fail to keep proper documentation.
5. Requires the importer to use reasonable care in determining the value, admissibility of imported merchandise.
6. All of the above.
7. The Automated Export System (AES):
8. Established a program for electronic filing of export documentation.
9. Is administered by the U.S. Customs Service only.
10. Only applies on NAFTA transactions.
11. Made it impossible to file documents manually.
12. Is the same as the ACE (Automated Commercial Environment).
13. In the U.S., Importing and Exporting will be governed primarily by:
14. State Law.
15. International Treaties.
16. Federal Law.
17. The laws of the foreign trading partner.
18. Tribal law.
19. Importers primarily deal with:
20. The U.S. Customs and Border Protection (formerly the U.S. Customs Service).
21. The Department of Commerce.
22. The Bureau of Export Administration (renamed the Bureau of Industry and Security).
23. The International Trade Administration.
24. None of the above.
25. What is not an important management issue when considering exporting:
26. Management commitment.
27. Experience.
28. Production capacity.
29. International travel experience.
30. Financial capacity.
31. What can international market research tell you?
32. The largest and fastest growing markets for your products.
33. Market trends and outlooks.
34. Market conditions and practices.
35. Competing firms and products.
36. All of the above.
37. Who is the publisher of the website export.gov?
38. The Export-Import Bank.
39. The Department of State's Bureau of Economic and Business Affairs.
40. The U.S. Trade Representative.
41. The U.S. Department of Commerce's International Trade Administration.
42. Rupert Murdoch's News of the World.
43. According to John Wiley Spiers, the most important step is:
44. Always to get your customer first.
45. Always to find good suppliers first.
46. To carry a lot of inventory.
47. To hire an attorney.
48. Learn a foreign language.
49. A great website for importers is [www.import.gov](http://www.import.gov/).
50. True
51. False
52. Foreign language skills are crucial for anybody wanting to import or export.
53. True
54. False
55. The "Circle of Trade" includes a category called "Transactional."
56. True
57. False
58. The acronym SWOT stands for "Strengths, Weaknesses, Opportunities and Taxes.”
59. True
60. False
61. The United Kingdom is a signatory to the Convention on the International Sale of Goods (CISG).
62. True
63. False
64. Approximately, what was the size of the U.S. goods and services trade deficit in 2011?
65. $2,663 billion.
66. $738 billion.
67. $0.56 trillion.
68. 31.1%.
69. The nation actually had a trade surplus in 2011.

1. Which is not part of the trade in services?
2. Software.
3. Professional services.
4. Travel services.
5. Airplanes.
6. Royalties and license fees.

1. In 2011, approximately what percentage of Washington State's exports were purchased by the top 20 countries?
2. 75%
3. 82%
4. 90%
5. 20%
6. 18%

1. Our state has two large categories of products that are our leading exports. What are they?
2. Fish and timber.
3. Apples and cherries.
4. Aerospace and timber.
5. Aerospace and agricultural products.
6. Geoducks and enriched uranium.

1. Which is not one of the five P's of marketing?
2. Promotion.
3. Price.
4. Persistence.
5. Product.
6. Placement.
7. So, according to your instructor, which is the fifth and missing P from the question about the marketing mix?
8. Patience.
9. Payment.
10. Patents.
11. People.
12. Packaging.

1. What would not be an example of an indirect market entry method?
2. Selling through an export management company.
3. Selling through an export trading company.
4. Piggybacking on someone else's exports.
5. Selling to a friendly domestic competitor who will handle the exports for you.
6. Selling directly to a customer abroad.
7. Picture yourself as a budding entrepreneur who is just starting an importing or exporting business. Given your perception of your strengths, weaknesses, talents and interests, what functions of the business would you do yourself, and what functions would you outsource or try to find a partner to do?
8. Why do you think the U.S. is stuck with such a persistent trade deficit? Is it a problem for us?
9. What do you think might happen to Washington State's exports over the next decade, including both goods and services exports?
10. Discuss the pros and cons of importing foreign oil (think economically, environmentally, politically, etc.).

**Quiz 2**

1. Unless specified, CISG will be the default governing law in cross-border sales transactions among the 78 participating nations.
2. True
3. False
4. CISG can be said to allow the parties to the transaction more flexibility than the UCC.
5. True
6. False
7. "FAS" is one of the Incoterms.
8. True
9. False
10. What is an ATA carnet?
11. A system for visa free travel between countries for business travelers.
12. A customs entry and temporary importation bond which permits temporary entry of samples and supplies for order solicitation, display and trade shows.
13. One of the Incoterms.
14. A document to avoid paying VAT tax on imports to Europe.
15. American Trucking Association's standard freight contract form.
16. Which is not one of  the Incoterms?
17. DDU
18. CIF
19. EXW
20. DOA
21. FOB
22. What typically constitutes a sales agreement?
23. A verbal offer to deliver a product.
24. The outcome of the "Battle of the Forms."
25. A request for quotation (RFQ).
26. An offer, acceptance and consideration (passing of ownership to goods for a price).
27. A handshake deal.
28. Under the CISG, if the parties do not agree on the time and place for transfer of title and delivery, title will pass when....
29. ...when the merchandise is unloaded from the ship in the foreign port.
30. …when the merchandise arrives at the buyer's warehouse.
31. ...the merchandise is transferred to the first transportation carrier.
32. ...the sales agreement is signed.
33. ...when the goods are fully paid for.
34. What is the difference between a Distributor and a Sales Agent?
35. The Distributor buys the product, while the Agent acts on a commission basis.
36. The Distributor acts on a commission basis, while the Agent buys the product.
37. They are basically both the same.
38. The Distributor buys the product and uses the Agent as a sales channel.
39. The Distributor is an employee, while the Agent is a contractor.
40. A "firm" offer is...
41. ... a revocable offer.
42. ... an irrevocable offer.
43. ... a contingent offer.
44. ... the opposite of a "soft" offer.
45. ... an offer from a firm, and not an individual.
46. Under the Uniform Commercial Code (UCC), what are implied warranties in the process of drawing up sales contracts?
47. Title (i.e. seller holds proper title to the goods).
48. Merchantability (acceptable quality).
49. Fitness for particular purpose.
50. All of the above.
51. 30 days - no questions asked.
52. What is meant by the expression "battle of the forms?"
53. The dilemma which federal agency to submit the various export compliance forms to.
54. The ongoing trade dispute between the European Union and the USA.
55. The parties to a transaction keep presenting each other with different contract terms that often cancel each other out, materially change the contract or otherwise cause confusion.
56. The infighting among the many federal trade agencies.
57. The struggle to get up in the morning and do some exercise.
58. International Distributor Agreements typically contain the following sections:
59. Appointment and Scope.
60. Term and Termination clauses.
61. Covenants and Representations by the Company and the Distributor.
62. Terms and conditions of sale (price and payment terms, delivery terms, delivery procedures, etc.).
63. All of the above.
64. The Foreign Corrupt Practices Act prohibits...
65. ...making any sorts of payments to anybody not directly involved as a party to the transaction.
66. ...paying or bribing a foreign government official or employee in order to obtain a contract or retain business.
67. ...paying voters in foreign countries to vote for pro-American politicians.
68. ...wining and dining with foreign (private sector) business partners.
69. ...foreigners to try to bribe American politicians.
70. Which of the listed documents is not typically required for exportation:
71. Commercial Invoice
72. Packing List
73. Certificate of Origin
74. Product Instruction Manual
75. Bill of Lading
76. The Shipper's Export Declaration (SED) has recently been replaced by an electronic filing through the
77. Electronic Export Information (EEI) filing.
78. SNAP-R automated export license program.
79. Department of Homeland Security.
80. an ITAR (International Traffic in Arms) website.
81. None of the above.
82. Under the Export Administration Regulation, and in the process of determining whether you need an export license, exporters must be able to answer five questions about the transaction. Which is not one of the five?
83. What is being exported?
84. Where (to what country) is the item going?
85. How much are you charging for the item?
86. Who will receive the item?
87. What will the recipient (customer) do with the item?
88. In export jargon, ECCN stands for "Export Control Classification Number."
89. True
90. False
91. If your ECCN ends up as EAR99, it usually means that NLR.
92. True
93. False
94. Under the EAR (Export Administration Regulations) it is currently illegal to export to (and import from) five countries, namely
95. Iran, Iraq, North Korea, Cuba and Texas.
96. Iran, Iraq, Libya, Sudan and Cuba.
97. Cuba, Iran, North Korea, Sudan and Syria.
98. Cuba, Iran, Libya, North Korea and Syria.
99. Afghanistan, Cuba, Iran, North Korea and Sudan.
100. Which is a category of products not on the Commerce Control List?
101. Marine
102. Lasers and Sensors
103. Electronics
104. Nuclear materials, facilities, and equipment
105. Sheet music
106. Although making small grease payments to foreign low level officials (typically border control agents or customs official to speed up the importation process in the foreign country) is legal under American law, what would you say might be the pros and cons of having a corporate policy of allowing such payments? Think both short term and long term.
107. If you were a local manufacturer of high quality bicycles, discuss some of the options you would have when it comes to exporting such a product to Europe. I am specifically interested in what distribution channels you would use.
108. Exporters often have to choose between entering long term contracts with foreign distributors or foreign sales agents. Please discuss some of the differences between these two types of representation, and possible advantages and disadvantages of each.

24. Which are some of the elements that should be part of a company's export compliance manual?

**Quiz 3**

1. Which government agency enforces most of the rules and regulations affecting importers?
2. The Bureau of Industry and Security (BIS)
3. The Department of Treasury
4. The Customs and Border Protection (CBP)
5. The U.S. Department of Agriculture (USDA)
6. The International Trade Administration
7. What's the problem with inventory?
8. Takes up warehouse space.
9. Risk of damage in storage.
10. Ties up capital.
11. Hard to find backdoor (surplus liquidators) for excess inventory.
12. All of the above.
13. When obtaining cargo insurance, what value is typically insured?
14. The Ex Works value + 10%.
15. 110% of the CIF value.
16. 100% of the CIF value.
17. The CIF value minus 10%.
18. 10% of the CIF value.
19. In a Letter of Credit transaction, which bank is the importer (buyer) mostly dealing with:
20. The confirming bank.
21. The advising bank.
22. The correspondent bank.
23. The issuing bank.
24. The seller's bank.
25. What is the purpose of obtaining an importation (customs) bond?
26. To guarantee that all customs duties, penalties and other charges assessed by Customs will be properly paid.
27. To ensure that the seller gets paid in case of default on the Letter of Credit.
28. To allow for the in-bond transportation of the cargo.
29. To obtain delivery of the product in case of a loss of the Bill of Lading.
30. To ensure that the customs broker gets paid for its services.
31. What is the difference between Schedule B and the Harmonized Tariff System (HTS)?
32. There is no difference.
33. Schedule B is used by exporters; HTS by importers; and the six first digits are always the same.
34. Schedule B is used by exporters; HTS by importers; and all ten digits are always the same.
35. Schedule B is used by importers; HTS by exporters; and the six first digits are always the same.
36. Schedule B is filed with the IRS, while HTS is filed with the state.
37. Who is the beneficiary in a Letter of Credit transaction?
38. The person who is entitled to receive payment, usually the seller (exporter) of the goods.
39. The person who is making the payment, usually the buyer (importer) of the goods.
40. The advising bank, who receives payment from the issuing bank.
41. The person who is to receive payment in case of loss or damage to the goods.
42. Whoever survives the buyer if he should die.
43. What is the difference between a Letter of Credit and a Documentary Credit transaction?
44. There is no difference between the two.
45. For a Letter of Credit, the bank(s) guarantee(s) payment, while in a Documentary Credit transaction, the bank(s) only act(s) as a Collector of payment.
46. For a Letter of Credit, the bank(s) only act(s) as a Collector of payment, while in a Documentary Credit transaction, the bank(s) guarantee(s) payment.
47. Letter of Credit are used for exports only, while Documentary Credits are used for both imports and exports.
48. Letters of credit are riskier for the seller than documentary credit.
49. When can an antidumping duty be assessed?
50. When the government determines that the imported product has been subsidized by the exporting government.
51. When Customs determines that some of the product has been dumped in the sea on the way to this country.
52. When the Government determines that the imported product is sold to the importer for less than its cost or the prevailing market price in the seller's country.
53. When the imported product is sold for more than the prevailing market price in the buyer's country.
54. It can only be assessed on agricultural goods.
55. Which is the riskiest payment method for the seller?
56. Cash in advance.
57. Letter of Credit.
58. A sight draft.
59. A time draft.
60. Open account.
61. Transfer pricing is...
62. ...an internal pricing mechanism used between divisions of the same company.
63. ...a method of pricing merchandise to outside customers.
64. ...a way to put a value on goods in transit.
65. ...a way to assess the foreign exchange value of the merchandise.
66. ...what freight consolidators charge for transferring your cargo.
67. Liquidation in a Customs context means that the merchandise is destroyed.
68. True
69. False
70. For the seller, a letter of credit is more secure than cash in advance.
71. True
72. False
73. The Incoterm DDP is the closest to the concept of "all-in."
74. True
75. False
76. If you are a country in column 2 in the tariff schedule, you are lucky.
77. True
78. False
79. Of these five items, only one can legally be imported to the U.S. Which is it?
80. The Greek unpasteurized feta cheese.
81. The Norwegian fish pudding with Norwegian labeling.
82. The three-wheeled British station wagon.
83. The Bavarian garden gnome.
84. The polar bear rug.
85. In order to determine the tariffs to be paid, the imported merchandise has to be classified and appraised, where...
86. ...classifying means finding the right HTS code; and appraising means finding the value of the merchandise.
87. ...classifying means finding the right HTS code; and appraising means selecting the right rate of duty.
88. ...classifying means finding the right Schedule B number; and appraising means finding the value of the merchandise.
89. ...classifying means finding the right Schedule B number; and appraising means finding the weight and volume of the merchandise.
90. ...classifying means finding the right country group; and appraising means finding the value of the merchandise.
91. Washington State experienced a 17% growth in exports in 2012, to as much as $75.5 billion. As before, the top two merchandise categories were:
92. Transportation equipment (incl. aircraft) and seafood.
93. Transportation equipment (incl. aircraft) and lumber.
94. Transportation equipment (incl. aircraft) and agricultural products.
95. Radioactive materials and geoducks.
96. None of the above.
97. Bonded merchandise (or cargo moving in-bond) is imported goods...
98. …that are tied down securely so they don't tip over.
99. ...that are not subject to customs duties.
100. ...that are on their way to the waste disposal site for liquidation.
101. ...that are deemed illegal by customs and on their way to a holding facility.
102. ...where customs duties have not been paid yet.
103. The Special column in the Harmonized Tariff Schedule is used for imports from GSP and FTA countries.
104. True
105. False
106. Can you elaborate on the "art and science" of importing, and give me your opinion of what you think may be the most important things to remember and practice if you are to be a successful importer?
107. Please discuss and compare the advantages and disadvantages of carrying inventory.

1. Industry trends indicate that Letters of Credit are being used less frequently than before. Why do you think that is, and what might be suitable payment alternatives?

1. Traditionally, trade restrictions are used as a non-military weapon to try to force countries to change political course. For example, Iran and North Korea are constantly in the news for this, and ever stricter embargoes are in effect. What is your opinion on using trade as a geo-political tool? Does it seem to work?

**Final Exam**

1. In the U.S., importing and exporting are governed primarily by:
2. State Law.
3. International Treaties.
4. Federal Law.
5. The laws of the foreign trading partner.
6. The World Trade Organization.
7. ITAR stands for \_\_\_\_\_\_\_\_\_\_\_ and is administered by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.
8. International Treaty for Arms regulations; Department of Defense.
9. International Traffic in Arms regulations; Department of State.
10. International Traffic in Arms Regulations; Department of the Treasury.
11. International Traffic in Arms Regulations; Department of Commerce.
12. Intermodal Traffic in Atomic Refuse; Department of Health & Human Services.
13. Which government agency enforces most of the rules and regulations affecting importers?
14. The Bureau of Industry and Security (BIS).
15. The Department of Treasury.
16. The Customs and Border Protection (CBP).
17. The U.S. Department of Agriculture (USDA).
18. The Food and Drug Administration (FDA).
19. What is the purpose of obtaining an importation (customs) bond?
20. To guarantee that all customs duties, penalties and other charges assessed by Customs will be properly paid.
21. To ensure that the seller gets paid in case of default on the Letter of Credit.
22. To allow for the in-bond transportation of the cargo.
23. To obtain delivery of the product in case of a loss of the Bill of Lading.
24. To ensure that the Customs Broker gets its fee paid.
25. Which is the only export document (information) that is filed with the U.S. government?
26. The Pro forma invoice.
27. The Electronic Export Information (EEI) filing via AESDirect (the form formerly known as the Shipper's Export Declaration).
28. The Bill of Lading.
29. The Certificate of Origin.
30. None of the above.
31. Which is not one of the nine basic export documents:
32. Commercial Invoice.
33. Certificate of Origin.
34. Entry Summary (CBP form 7501).
35. Bill of Lading.
36. The Electronic Export Information (EEI), formerly the Shipper's Export Declaration (SED).
37. Which product category is categorized as a Hazmat (Hazardous Material)?
38. Water-reactive products.
39. Radioactive products.
40. Corrosive products.
41. Flammable products.
42. All of the above.
43. What does "appraising" the imported merchandise mean?
44. Finding the weight or volume of the merchandise.
45. Finding the value of the merchandise.
46. Finding the proper HTS code.
47. Buying insurance for the merchandise.
48. Setting the right export price for the merchandise.
49. What typically constitutes a sales agreement?
50. A verbal offer to deliver a product.
51. The outcome of the "Battle of the Forms."
52. A request for quotation (RFQ).
53. An offer, an acceptance and consideration (passing of ownership to goods for a price).
54. Incoterms.
55. Exports and imports of military and defense articles usually come under which U.S. regulation?
56. The EAR (Export Administration Regulations).
57. The ITAR (International Traffic in Arms Regulations).
58. The CBP (Customs and Border Protection) regulations.
59. The CCL (Commerce Control List).
60. The United Nations regulations.
61. The following categories fall under the NAFTA Preference Criterion, with respect to the origin (U.S., Canadian or Mexican) of the merchandise:
62. All components of NAFTA origin.
63. Significant transformation.
64. Sufficient Regional Value Content.
65. Agricultural, mined, fished, hunted or extracted within NAFTA territory.
66. All of the above.
67. In short, what does "classifying" the imported merchandise mean?
68. Finding the value of the merchandise.
69. Finding the proper Schedule B code.
70. Finding the proper Harmonized Tariff System (HTS) code.
71. Finding the right tariff rate for the merchandise.
72. Determining whether the merchandise is embargoed.
73. A "firm" offer is...
74. ...a revocable offer.
75. ...an irrevocable offer.
76. ...a contingent offer.
77. ...the opposite of a "soft" offer.
78. ... a counter-offer.
79. The term Clean Bill of Lading is used when...
80. ...the cargo is loaded onboard the vessel.
81. ...the freight has already been prepaid.
82. ...the seller and buyer are related parties.
83. ...there is no visible cargo damage.
84. ...nobody spilled coffee on the document.
85. What is known as the Importer Security Filing (ISF)?
86. The Liquidation process.
87. The Entry Summary filing.
88. The Entry for Immediate Delivery filing.
89. The Drawback procedures.
90. The importer (or its broker) and the carrier must submit to Customs certain advance data items about the shipment.
91. What is the Schedule B number?
92. Used by exporters as the item classification number based on the Harmonized Tariff System codes.
93. Used by importers as the item classification number based on the Harmonized Tariff System codes.
94. An export license number for sales to Group B countries.
95. A number that only applies to exports of arms.
96. If you cannot find the HTS number in Schedule A, you go to Schedule B.
97. What is "transformation" under the NAFTA origin rules:
98. The item is transformed from a U.S. made to a Mexican or Canadian made item.
99. Imported components undergo significant manufacturing and a change in the tariff classification at the 2-digit level (before they are exported to another NAFTA country).
100. The item is transformed from a liquid to a solid.
101. A US farmed agricultural item is undergoing secondary processing.
102. None of the above.
103. Which one of these five Incoterms disappeared under the Incoterms 2010 guidelines (compared to the 2000 version)?
104. DDP
105. CIF
106. EXW
107. DDU
108. FAS
109. In Customs jargon, what does "NESOI" mean?
110. Non-vessel Operating Common Carrier.
111. Not evenly stowed or inserted.
112. Not elsewhere specified or included.
113. National Electronic System of Imports.
114. None of the above.
115. The bill of lading serves as…
116. A freight contract.
117. A cargo receipt.
118. An indication of title to the goods.
119. All of the above.
120. None of the above.
121. What is a Customs Drawback?
122. A refund of the customs duties paid on merchandise that has been imported and eventually re-exported (or destroyed).
123. A confiscation of the merchandise by Customs.
124. A line of credit with a customs broker.
125. A document filed when the cargo is liquidated.
126. One of the disadvantages of Customs.
127. In a Customs context, what does "liquidation" mean?
128. If the cargo is confiscated, it will be liquidated after 90 days.
129. If you make an error in the paperwork, a Customs agent will come and liquidate you within three days.
130. The process of entering the cargo for Customs clearance.
131. The point at which Customs' ascertainment of the classification and valuation becomes final in most instances.
132. The procedure of getting immediate delivery.
133. If you add up U.S. exports and imports of goods and services for 2011, what percentage is that of the total U.S. economy (GDP)?
134. 133%
135. 33%
136. 3.3%
137. 50%
138. None of the above
139. Under the Uniform Commercial Code (UCC), what are implied warranties in the process of drawing up sales contracts?
140. Title (i.e. seller holds proper title to the goods).
141. Merchantability (acceptable quality).
142. Fitness for particular purpose.
143. All of the above.
144. 30 days - no questions asked.

1. If an international agreement between an exporter and an agent/distributor grants a monopoly (for a certain area) to the agent/distributor, that agent/distributor is considered to be:
2. a subsidiary of the exporting company.
3. operating illegally.
4. an exclusive representative.
5. operating under a force majeure clause.
6. None of the above.

1. Imagine for a moment that you are the confectioners Brown & Haley in the process of developing a marketing strategy for Europe. What are some of the issues they have to consider or decide on before commencing export sales to a new market like this?

1. Think of and pick one American company that has had great success in international business. Why do you think they have been successful? What have they seemingly done right?

1. Why is accuracy so important in international trade? Mention some examples of what can go wrong if there is a lack of accuracy in your communications, procedures or documentation.

1. What sort of risks do you think exporters and importers are subject to in their course of business? What could be the consequences and impacts on their bottom lines?

1. Despite our efforts to boost exports, the U.S. trade deficit remains stubbornly high. Thinking about our habits and what we are exporting and importing, are there things we can do as a nation to reduce this deficit? Should we and the government worry about it?