

- Q.1 A. What are the benefits of documentary collections?  
 B. As an importer would you prefer documentary collection or documentary credit? Give reasons for your choice.  
 C. As an exporter would you prefer documentary collection or documentary credit? Give reasons for your choice.  
 D. Why would a bill of exchange be protested? Outline the procedure.
- Q.2 List the process of option contracts from booking to close out.
- Q.3 Explain the following briefly:  
 i. Confirmed and un confirmed credit  
 ii. Revolving credits  
 iii. Transferrable credits  
 iv. Back to back LC  
 v. Standby credit
- Q.4 Define forfeiting and list the risks associated with forfeiting.
- Q.5 A. How does past performance /track record influence the behavior of trade partners towards each other?  
 B. Who are the other involved parties in the process of trade and how do they contribute in the international trade process?  
 C. Identify any four foreign trade risks and suggest their remedies.
- Q.6 A. Discuss briefly trade based money laundering?  
 B. How can one scrutinize the counter party's credentials in a trade transaction?
- Q.7. A. List the steps which an exporter must comply with to avail of the Export Refinance facility under the following heads until final repayment.  
 i) Export Re-Finance Part I  
 ii) Export Re-finance Part II
- B. List some of the ways in which the Export Refinance Scheme can be mis utilized by the exporters.  
 C. State any three measures through which the State Bank of Pakistan monitors and prevents misuse of the facility.
- Q.8 The Guarantee is a unilateral agreement between the bank and the beneficiary which is concluded on behalf of a third party (applicant), usually the beneficiary's business partner through which the issuing bank undertakes to effect payment against presentation of a written statement of the beneficiary to the effect that a given contractually agreed obligation has not been fulfilled. What are the consequences of non-payment of claim by the issuing bank against its guarantee?
- Q.9 Commodity trade finance is a lucrative business for traders and banks alike however it is interesting to note that the number of banks actively involved in international commodity trade finance varies from year to year.

- A. Why would the trade finance portfolio of banks vary from year to year? Explain with the help of example.
- B. What are the risks associated with Commodity trade finance for banks?
- C. What are the risks mitigants of Commodity trade finance for banks?
- D. What are some of the challenges faced by commodity traders? Explain any 2 with the help of examples.