



**ASSIGNMENT 1ST SEMESTER : BASICS OF EXPORT TRADE
(BET101)**

STUDY UNITS COVERED : STUDY UNITS 1-6

DUE DATE : 3:00 p.m. 20 MARCH 2012

TOTAL MARKS : 100

INSTRUCTIONS TO CANDIDATES FOR COMPLETING AND SUBMITTING ASSIGNMENTS

The complete 'Instructions to Students for Completing and Submitting Assignments' must be collected from the IMM GSM office, or the relevant Student Support Centre, or can be downloaded from the IMM GSM website. It is essential that you study the complete instructions prior to beginning your assignment. The following points highlight only a few important notes:

1. You are required to submit ONE assignment per subject.
2. The assignment will contribute 20% towards the final examination mark, and the other 80% will be contributed by the examination, however, the examination papers will count out of 100%.
3. Although your assignment will contribute towards your final examination mark, you do not have to earn credits for admission to the examinations; you are automatically accepted on registering for the exam.
4. Number all the pages of your assignment (e.g. page 1 of 4), and write your name and surname, student number and subject at the top of **each** page.
5. The IMM GSM requires assignments to be presented in a typed format and on plain A4 paper. This assignment must be completed within a limit of 1500 words, excluding the bibliography. Students who exceed the word limit may find that only part of the submitted assignment will be marked.
6. A separate assignment cover, which is provided by the IMM GSM, must be attached to the front of each assignment.
7. Retain a copy of each assignment before submitting in case the original does not reach the IMM GSM.
8. The assignment due date refers to the day up to which assignments will be accepted for marking purposes. The deadline is 3:00 p.m. on 20 March 2012. Late assignments will be accepted, but **25 marks** will be deducted from the maximum mark, if received after 3:00 p.m. on 20 March 2012 and up to 5:00 p.m. the following day, after which no assignments will be accepted.
9. If you fail to follow these instructions carefully, the IMM Graduate School of Marketing cannot accept responsibility for the return of the assignment. It may even result in your assignment not being marked.

Results will be available on the IMM GSM website, www.immgsm.ac.za, on Friday, 4 May 2012.

ASSIGNMENT**[90]**

There are 18 statements below. Please state – *in your own words* – whether or not each one is true or false, giving the *full* reasons for your answer. Note that you must read each statement *carefully* and take note of the *actual* words that are used.

Ensure that your answers are logical. Do not start your answer with “Yes, the statement is false...” and then proceed to give reasons why the statement is *true*. Likewise, do not start an answer with “No, the statement is true...” and then proceed to give reasons why it is *false*.

Five marks are allocated to each answer.

1. Because services are intangible they cannot be traded internationally.
2. It is difficult to understand the culture of a community if you do not understand the language.
3. International trade involving the African continent started with the Egyptians in about 4500 BC.
4. Incoterms set out the responsibilities of freight forwarders and shipping lines in international trade and set limits on certain charges.
5. Values and norms are universal – that is, they are the same in any group or community.
6. South Africa signed the General Agreement on Tariffs and Trade only after becoming a true democracy in 1994.
7. Countries form trading blocs to reduce competition from foreign goods.
8. South Africa’s international trade began when gold and diamonds were discovered in the 19th century.
9. Material culture refers to the value a community places on physical possessions.
10. Bank collections are the safest method of payment in international trade.
11. Marine insurance covers goods transported by sea only.
12. The GATT most-favoured-nation principle means developing countries must reciprocate any benefits they receive under the Generalised System of Preferences.
13. Basic product cost is made up of raw materials, components, packaging, labour, energy and water.
14. Stereotypes are a good guide to understanding people.
15. The creditworthiness of a foreign buyer will influence the payment method and terms the exporter asks for.
16. Freight forwarders are specialists only in clearing goods through customs.

17. Export credit insurance covers commercial risks, such as the insolvency of the buyer or the failure of the buyer to pay, and political risks including restrictions on the transfer of funds, outbreak of war or hostilities outside South Africa, and boycotts or sanctions against South Africa, as well as against changes in exchange rates.
18. Documentation is an essential aspect of international trade.

PRESENTATION [10]

Set out yours answers neatly, with numbers corresponding to the numbers above. Ensure that your assignment does not exceed 1 500 words in total.

ASSIGNMENT TOTAL: 100