



**ASSIGNMENT 1ST SEMESTER : EXPORT ADMINISTRATION 2 (EA2)
EXPORT ADMINISTRATION 201 (EA201)**

STUDY UNITS COVERED : 1, 5 AND 7

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 any 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 be 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.

SPECIFIC INSTRUCTIONS:

When using your own words, be careful not to change the meaning of established and accepted international terms, and the expressions and jargon of the specific subject in question.

Note 1:

The nature of this subject is highly technical; students are advised to set aside sufficient study time, that is, a solid minimum of 2 hours a day, 6 days a week.

Note 2:

It is assumed that previous learning is in place.

Note 3: Sloppy presentation of this assignment, including gross spelling, gross grammar mistakes and the like, will be penalised up to 10 marks. The penalising marks will be deducted from the total marks achieved.

QUESTION 1**[25]**

Gourmet Surprise CC, situated in Citrusdal in the Western Cape, produces a range of gourmet tapenades*. For some time now, James Butler, the owner of the company, has been thinking about exporting his classical, sun-dried tomato based tapenades which he has been selling successfully in the domestic market for the last couple of years. Although James never really had the time to find out what exporting is all about, he recently made a start with advertising the products on an Internet trade enquiry website. Two days ago, rather unexpectedly, he received an emailed enquiry for the popular 'Hot Basil' tapenade from an importer/distributor in Wuppertal, Germany.

Hans Apfel from Gewürze Handel GmbH requested Gourmet Surprise to submit an offer for a trial order in euros for 2 pallets on the basis of CIP Rotterdam and documents against payment (D/P). He stipulated that it should be pallets of 800 x 800 mm, not exceeding a packed height of 1800 mm. Hans also requested that the quotation shows FCA prices with the total freight and the marine insurance premium mentioned separately to arrive at the total CIP Rotterdam price of the consignment.

Six bottles of the required tapenade type are packed in a sturdy carton box and 384 boxes fit one pallet on which they are shrink-wrapped. The total net mass of the 2-pallet consignment would be 1428,5 kg, gross mass 1850 kg and volume 2,5 m³.

By using the additional information given below, prepare the detailed quotation for Gewürze Handel and show separately all the calculations required for the completion of this offer. Use your discretion and logic in supplying information that has not been provided in the case study.

* A paste or spread made from any or a combination of different vegetables and/or herbs, olive oil and seasoning.

Additional information

Gourmet Surprise CC	: P.O. Box 692 – Citrusdal 7129 12 Lourens Street – Citrusdal 7130 Tel. +27 21 8512997 Fax +27 21 8511895 e-mail: jamesb@gourmet.co.za web: www.gourmet.com
Gewürze Handel GmbH	: Bruch 4 – 42279 Wuppertal – Germany Tel. +49 202 2668300 Fax +49 202 2668350 e-mail: hapfel@gewurze.ge web: www.gewurzehandel.ge
Product	: 'Hot Basil' tapenade in round glass jar – 125 ml Measurements: L60xW60xH100 mm – Weight: 310 gr FCA Cape Town price: R14,85 HS classification: 2103.90
Transport	: Weekly groupage service from Cape Town to Rotterdam direct at USD 65 + BAF 27,64% per 1000 kg/1 m ³ Transit time: average of 2½ weeks
Marine insurance	: Cover: Clauses (A) and Strikes, on basis of warehouse- to-warehouse Premium: R150 – based on insured value of CIP+10%
Dates	: Quotation: not later than 6 August 2010 – Ref. No. JB/0123/10 Delivery: ex-factory within 14 days from receipt of order
Exchange rates	: EUR/USD 1,3142 (buying) and 1,3147 (selling) EUR/ZAR 9,6340 (buying) and 9,6465 (selling)

QUESTION 2**[40]**

Gewürze Handel has accepted the quotation and placed the order for 4608 jars 'Hot Basil' tapenade. Like the quotation, the order stipulated that the commercial invoice should reflect FCA prices with freight and marine insurance charges mentioned separately, adding up to the total CIP Rotterdam price. The net and gross mass of the consignment, the total cbm (cubic meter = m³) and the HS tariff classification number are also to be shown on the commercial invoice.

Never having exported before, Gourmet Surprise uses the services of a freight forwarder and James Butler's highly efficient secretary is in charge of coordinating the complete order-handling flow. According to the company's policy Salome Abrahams, the financial manager, always signs invoices and other documents that may affect the firm's financial status and exports are no exception.

By adopting the roles of James's capable personal assistant and the company's financial manager, as the case may be, complete the attached set of 4 blank documents for this shipment of gourmet tapenades as accurately as possible.

Additional information (to that given in Question 1)

Gourmet Surprise CC	: Customs code no. 928314 Reference no. TE/001E/10
Gewürze Handel GmbH	: Reference no. GH-4693/10/SA
Commercial invoice	: No. 61352 of 19 September 2010
Notify party	: Deka Expeditie BV Albert Plesmanweg 127 3008 AB Rotterdam – The Netherlands
Vessel and voyage no.	: MSC Teresa 26R
Shipping marks	: GewHan Wuppertal via Rotterdam 1/2 Up
Marine insurance certificate	: No. ICG 85726 Insured: Gourmet Surprise CC Notifying and claims settlement party: Allianz Versicherungs-AG – Johannesburg, RSA
Gourmet Surprise's Bank	: Cape People Bank Ltd. – Citrusdal Bank branch MICR no. 505-909 Bank charges of €25 to be collected
Case of need	: Julia Kerkvliet – guidance only

QUESTION 3 [25]

- 3.1 List any **seven (7)** common discrepancies found in the insurance document when submitted to the bank under a letter of credit. **(7)**
- 3.2 The marine insurance claims procedure is, in essence, the same from one broker to another and from one insurance company to the next. Detail the steps that are normally taken. **(18)**

PRESENTATION [10]**ASSIGNMENT TOTAL: 100**

Attachment 1

COMMERCIAL INVOICE						
Exporter		Invoice No. And Date		Exporter's Reference		
		Buyer's Reference				
		Consignee				
Notify Party		Country of Origin		Country of Final Destination		
		Terms of Delivery and Payment				
Vessel & Voyage No.		Port of Loading				
Port of Discharge		Place of Delivery by On-Carrier				
Marks, Nos. And Container No.		No and kind of Packages; Description of Goods		Quantity	@	Amount
					Total	

Attachment 2

CIC INSURANCE	Co-operative Insurance Company Limited (Reg. No. 66/10637/06) Head Office: International Insurance House, 108, Anderson Street, Johannesburg, 2001.		
CERTIFICATE NO.			
This is to certify that CO-OPERATIVE INSURANCE COMPANY LIMITED has insured under an Open Policy the goods specified below, valued at sum insured, for the insured transit and on the conditions stated in this certificate.			
INSURED:			
Precarriage by	Place of receipt by Pre-Carrier	Risk to attach at	
Vessel/Aircraft etc	Port of Loading	Transshipment (if any)	: Port : Vessel
Port of Discharge	Place of Delivery by On-Carrier	Risk to terminate at	Currency and Value Insured
Marks. Nos. And Container No. No. And Kind of Packages/Description of Goods		Amount in words	
		<p>Claims Procedure In the event of loss or damage for which the Company may be liable under this certificate immediate notice must be given to :-</p> <p>Claims payable at:-</p> <p>by:-</p>	
Claims to be adjusted according to the conditions of the Policy which contains, inter alia, the following clauses :-			
Notwithstanding anything contained herein to the contrary the liability under this policy in respect of any destruction of or damage to the subject matter of this policy shall not exceed its rateable proportion having regard to other insurances whether Marine or Fire and whether or not such other insurances are exempted from contributing either by the existence of this policy or any other			
Signed on behalf of the Company			
Examined	Date		
This Certificate represents and takes the place of the original Policy and conveys, subject to the terms of that Policy, all the rights of the original Policy-Holder (for the purpose of collecting claims) as of the property insured was conveyed by a Special Policy direct to the holder of this Certificate			
Original - White Insured's Copy - Blue Broker's Copy - Yellow Freight Forwarder's Copy - Pink Company's Copy – Green			

Attachment 3

For _____	Date _____
At _____	pay this _____ of Exchange
_____	to the Order of
_____	for Value received
To _____	

For _____	Date _____
At _____	pay this _____ of Exchange
_____	to the Order of
_____	for Value received
To _____	

Attachment 4

BILL FOR COLLECTION SCHEDULE										
Drawee/Exporter (Name & Address)					Drawer's Ref.					
					Drawee's Ref.					
Consignee (Name & Address)					Drawee (if not consignee)					
To (Bank - Name & Address)										
Despatch	Bill of Exchange	Comm. Invoice	Certified Cons. Invoice	Certificate of Origin	Insurance policy / certificate	Negotiable Bill of Lading	Non-Neg Bill of Lading	Parcel Post Receipt	Air Waybill Dated	Other
1 st Mail										
2 nd Mail										
Per		From				To				
Release Documents Against		Acceptance	Payment		If unaccepted/ unpaid and advise us by		Protest		Do Not Protest	
If Documents are not taken up on arrival of goods		Warehouse goods	Do Not Warehouse				Telex/SWIFT		Airmail	
		Insurance against fire	Do Not Insure		Advise acceptance and due date by		Telex/SWIFT		Airmail	
Collect all charges		Yes	No		Remit proceeds by		Telex/SWIFT		Airmail	
If Charges Refused		Waive	Do Not Waive							
Special Instructions										
Payment Instructions										
Note - Please advise by - * and quote our full Reference Number and Branch Name * Insert SWIFT/Telex or Airmail										
In case of need refer to -					For Guidance		Accept their instructions			
Date of Bill of Exchange			Tenor		Bill of Exchange Value Amount of Collection					
Please acknowledge receipt on the attached copy. Should any item be unpaid, unless otherwise instructed, please return unpaid items promptly by airmail stating reasons for dishonour.								Authorisation		
Please collect the above mentioned Bill and/or Documents subject to the Uniform Rules for the Collection of Commercial Paper, ICC Brochure No 522 (1995 Revision).										