



The Institute of
Bankers Pakistan

Time Allowed: 3 Hours

Maximum Marks:100

Finance of International Trade and Related Treasury Operations

Date: December 18, 2023

JAIBP (Stage-III)

Roll No:

Instructions:

- i. Attempt ALL questions;
- ii. Answers must be neat, relevant and brief;
- iii. In checking the answers, the examiner takes into account clarity of exposition, logic of arguments, presentation and language;
- iv. Read the instructions printed inside the top cover of answer script CAREFULLY before attempting the paper;
- v. DO NOT write your Name, Access No. or Roll No. etc. anywhere inside the answer script(s);
- vi. Candidates are advised not to mark any of the objective answer on the question paper, otherwise their paper will be cancelled;
- vii. Question Paper must be returned to invigilator before leaving the examination hall;
- viii. Ensure that you shade your choice on the Optical Mark Reader sheet correctly. Only **ONE** circle must be shaded as shown below:

Correct way A B C D (Choice B is selected)

Incorrect ways A B C D

SECTION B: SUBJECTIVE

Attempt ALL Questions.

(55 Marks)

Q1.

- A. As a trade consultant, what comprehensive solution would you recommend to your client who intends to export textile fiber to Mongolia and Azerbaijan, both of which are landlocked countries? The primary hurdles involve addressing issues related to inland transportation, transit documentation, de-stuffing, and destination clearance. This situation is further complicated by the fact that the shipping line does not provide any services beyond the off-loading process. **(6 Marks)**

- B. List any **EIGHT** intermediaries for accomplished and completing an international trade transaction. **(8 Marks)**

Q2.

- A. What is term “protest” in international trade? **(2 marks)**

- B. What are the situations when protesting would become ineffective? **(3 marks)**

Q3.

- A. What are the procedure will be adopted for the export of computer software and realization of the proceeds mentioned in the Foreign Exchange Manual by State Bank of Pakistan? **(5 Marks)**

- B. Define the following terms according to the Anti Money Laundering Combating the Financing of Terrorism and Countering Proliferation Financing Regulations for State Bank of Pakistan’s Regulated Entities by SBP. **(5 Marks)**

1. Payable-through Account
2. Respondent Bank



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Q4. Identify the correct topologies against their definition mentioned in the framework of managing risk of trade based money laundering and terrorist financing by SBP. **(6 Marks)**

a. Phantom Shipment	1. The act of stating the price of goods/services on an invoice as being less than their fair market value.
b. Obfuscation of type of goods/ Services	2. The act of stating the price of goods/services on an invoice as being more than their fair market value.
c. Over Invoicing	3. The act of shipping less than the invoiced quantity or quality of goods thereby misrepresenting the true value of goods in the documents.
d. Short Shipment	4. The act of shipping more than the invoiced quantity or quality of goods thereby misrepresenting the true value of goods in the documents.
e. Over Shipment	5. The act of omitting information from the relevant documentation or deliberately disguising or falsifying it.
f. Under Invoicing	6. Shipping nothing at all with false invoices.

Note: *Solution of Q5 can be attempted through mentioning of a,b,c with respective 1,2,3.....*

Q5. State and briefly explain any **FIVE** interbank services arrangements offer by Correspondent banks. **(10 Marks)**

Q6. **A.** What is exchange risk hedging? List any **FOUR** of its products. **(5 Marks)**

B. What is fraud risk in international trade? State any **FOUR** types of fraud risk. **(5 marks)**

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