



Chapter 10

FOREIGN TRADE POLICY

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01. Legislation Governing FTP

MCQ 10.01.01.00

Which ministry can regulate the foreign Trade Policy?

- a. Ministry of finance
- b. Ministry of Commerce & Industry
- c. Both
- d. None of the above

[Hint:- Ministry of Commerce & Industry governs the promotion & regulation of foreign trade in India]

MCQ 10.01.02.00

Foreign trade Policy is issued by director general of foreign trade for:

- a. 4 years
- b. 3 years
- c. 5 years
- d. 2 years

[Hint:- FTP is formulated, controlled & supervised by office of Director General of Foreign Trade (DGFT), an attached office of Ministry of Commerce & Industry, Government of India]

MCQ 10.01.03.00

Provisions for SEZ are given in separate Act & are not part of FTP but they are closely related to FTP. State whether the statement is true or false.

- a. True
- b. False

[Hint:- There is separate act for SEZ]

02. Status Holders & their Privileges:-

MCQ 10.02.04.00

LMP Exporters export shoes to USA. As per Foreign Trade Policy, 2023, LMP Exporters shall be categorized as a Five Star Export House upon achieving the export performance of _____ Million USD in the current and preceding three financial years. [CA Final MTP May 24 Series I]

- a. 3
- b. 15
- c. 200
- d. 800

[Hint:- Export Performance Threshold is 800 USD Million for status category of Five Star Export House]

03. Importer-Exporter Code (IEC):-

MCQ 10.03.05.00

A person can export or import only after obtaining a _____ character alphanumeric number Importer-Exporter Code (IEC), unless specifically exempted.

- a. 5
- b. 10
- c. 15
- d. 12

[Hint:- It is the same number as the applicant's PAN but is issued separately by DGFT]

04. Provisions relating to import of goods:-

MCQ 10.04.06.00

Import of samples of 'restricted' items is allowed without import authorisation except_____

- a. defence/security items
- b. seeds
- c) new drugs

d. bees

e. all of the above

[Hint:- Refer provisions relating to import of goods in your notes]

MCQ 10.04.07.00

What is the amount upto which all exporters shall be allowed to import samples without duty?

- a. 2,50,000
- b. 2,00,000
- c. 35,00,000
- d. 30,00,000

[Hint:- Refer Import of specific categories of goods under - Provisions relating to import of goods in your notes]

05. Advance Authorization (AA):-

MCQ 10.05.08.00

What is the minimum value addition for Advance authorization scheme under Foreign trade policy?

- a. 20%
- b. 15%
- c. 10%
- d. 25%

[Hint:- Minimum value addition of 15% shall be achieved for other than specified products]

06. Duty Free Import Authorisation Scheme (DFIA):-

MCQ 10.06.09.00

What is the minimum value addition for duty free import authorization under foreign trade policy?

- a. 20%
- b. 15%
- c. 10%
- d. 25%

[Hint:- Minimum value addition of 20% shall be achieved]

07. Export Promotion Capital Goods Scheme (EPCG):-

MCQ 10.07.10.00

What is the specific export obligation under export promotion capital goods scheme?

- a. 4 times of duty saved
- b. 4.5 times of duty saved
- c. 5.5 times of duty saved
- d. 6 times of duty saved

[Hint:- Specific EO is equivalent to 6 times of duty saved on capital goods imported under EPCG scheme]

Answers:-

10.01.01	b
10.01.02	c
10.01.03	a
10.02.04	d
10.03.05	b
10.04.06	e
10.04.07	d
10.05.08	b
10.06.09	a
10.07.10	d

