



UNIVERSITI KUALA LUMPUR
Malaysian Institute of Marine Engineering Technology

FINAL EXAMINATION
OCTOBER 2025 SEMESTER SESSION

SUBJECT CODE	: LOB30903
SUBJECT TITLE	: EXPORTING AND IMPORTING
PROGRAMME NAME (FOR MPU: PROGRAMME LEVEL)	: BACHELOR IN MARITIME OPERATIONS (HONOURS)
TIME / DURATION	: 9.00 AM - 11.30 AM (2 HOURS 30 MINUTES)
DATE	: 27 JANUARY 2026

INSTRUCTIONS TO CANDIDATES

1. Please read **CAREFULLY** the instructions given in the question paper.
2. This question paper has information printed on both sides of the paper.
3. This question paper consists of **TWO (2)** sections; Section A and Section B.
4. Answer **ALL** question in Section A, and **THREE (3)** questions **ONLY** in Section B.
5. Please write your answers on the OMR for Section A and on answer booklet provided for Section B.
6. Answer **ALL** questions in English language **ONLY**.

THERE ARE 12 PAGES OF QUESTIONS, INCLUDING THIS COVER PAGE

SECTION A (Total: 40 marks)**INSTRUCTION: Answer ALL questions.****Please use the OMR answer sheet provided.**

1. Malaysia relies on importing medical equipment from Germany while exporting palm oil to China. Why is international trade crucial for a country's economic development?
 - a) It allows countries to specialize and exchange goods they lack.
 - b) It eliminates the need for domestic industries.
 - c) It restricts globalization to protect local economies.
 - d) It prevents trade deficits and surpluses.

2. Vietnam produces coffee at a lower opportunity cost compared to wheat, while Canada specializes in wheat production. How does the principle of comparative advantage influence international trade?
 - a) It encourages nations to produce goods where they have efficiency
 - b) It forces countries to produce goods at the same cost.
 - c) It eliminates the need for imports.
 - d) It mandates government intervention in trade decisions.

3. The U.S. imposes 145% tariff on China. What is the impact of trade protectionism in international markets?
 - a) It restricts imports through tariffs and quotas.
 - b) It promotes global free trade.
 - c) It enhances trade liberalization policies.
 - d) It ensures equal prices for all imported goods.

4. The United States imports more electronic goods from China than it exports to China. Why do some countries experience a trade deficit?
 - a) Their imports exceed their exports.
 - b) They export more goods than they import.
 - c) Their government bans international trade.
 - d) They only focus on exporting services.

5. Two countries are in a trade dispute over unfair tariffs. What is a key role of the World Trade Organization (WTO) for a case like this?
 - a) To mediate trade agreements and settle disputes.
 - b) To promote protectionism in developing countries.
 - c) To regulate domestic trade within countries.
 - d) To eliminate all tariffs and trade restrictions worldwide.

6. Companies like Apple design products in the U.S. but manufacture them in China. How does globalization impact international trade?
 - a) It isolates economies from foreign trade.
 - b) It integrates markets and cultures.
 - c) It restricts market access for small economies.
 - d) It eliminates the need for trade agreements.

7. India imposes quotas on certain agricultural imports. What is the main reason some nations implement trade barriers?
 - a) To ensure equal wealth distribution.
 - b) To encourage foreign companies to dominate the market.
 - c) To protect domestic industries from foreign competition.
 - d) To completely stop international trade.

8. A buyer in Argentina orders goods from Germany but fails to pay. What is the potential risk of credit-based international trade?
 - a) The seller controls exchange rates
 - b) The buyer may default on payment.
 - c) Governments impose price restrictions.
 - d) The WTO prohibits credit-based transactions.

9. After Brexit, the UK had to renegotiate trade agreements. Why do international trade regulations change frequently?
 - a) To prevent economic growth in developing countries.
 - b) To eliminate all forms of trade.
 - c) Due to shifts in global political and economic conditions.
 - d) Because domestic markets do not influence trade.

10. A wholesaler buys in bulk and sells at a markup to retailers. How do middlemen affect domestic trade prices?
- a) They reduce product prices.
 - b) They increase prices due to added costs.
 - c) They have no impact on prices.
 - d) They ensure uniform pricing across all regions.
11. A country experiencing a trade deficit decides to devalue its currency to make exports cheaper and imports more expensive.
- a) The trade deficit will increase as imports become more affordable.
 - b) Exports may increase as foreign buyers find the goods cheaper.
 - c) Local consumers will buy more imported products.
 - d) The value of the local currency will increase rapidly.
12. Malaysia has been experiencing a trade surplus for the past five years due to strong exports in palm oil, electronics, and rubber products. As a result, the Malaysian ringgit has appreciated, making imported goods cheaper. What could be a potential impact of this trade surplus on local industries?
- a) Local businesses may struggle to compete with cheaper imported goods.
 - b) The demand for imported goods will increase
 - c) The country will face higher unemployment rates due to economic downturn.
 - d) The value of the Malaysian ringgit will depreciate.
13. Charter party is used _____.
- a) In export trade
 - b) In import trade
 - c) In internal trade
 - d) In domestic trade
14. Bill of Lading is issued by _____.
- a) Shipping company
 - b) Agent of the importer
 - c) Captain of the ship
 - d) Custom officer

15. _____ are biases against bids or restrictive product standards that go against American product features.
- Tariffs
 - Quotas
 - Nontariff trade barriers
 - Exchange controls
16. In a _____ countertrade the initial seller receives compensation in products that arise out the original sale.
- Consignment
 - Barter
 - Counter purchase
 - Buy-back agreement.
17. One of the following is NOT an advantage of international trade, which is _____.
- Import of defense materials
 - Dependance on foreign countries
 - Export of surplus production
 - Availability of cheap raw materials.
18. These are common mistakes for exports, except:
- Reliance on adequate partnerships
 - Lack if Export Business Plan
 - Low commitment to exporting
 - Neglecting export customers
19. These are the factors of the decision to market products directly, except:
- International marketing objectives of the firm
 - Manufacturer's resources and experience
 - Customer and product characteristics
 - Control and coverage
20. Below are the types of indirect channels, except:
- Exporters that sell on behalf of the manufacturer
 - Exporters that buy for their overseas customers
 - Exporter that sells by themselves
 - Exporter that buys and sells in their own account

21. The _____ is a set of interdependent organizations that help make a product or service available for use of consumption by the consumer or business user.
- a) Distribution channel
 - b) Promotion
 - c) Amount charge
 - d) Product features
22. _____ a mark that is likely to cause confusion with a trademark already existing in the marketplace.
- a) Counterfeiting
 - b) Dilution
 - c) Infringement
 - d) Trademark
23. _____ the value of the mark is substantially reduced through competition or through the likelihood of confusion from another mark.
- a) Counterfeiting
 - b) Dilution
 - c) Infringement
 - d) Trademark
24. A _____ is not protected by federal law.
- a) Copyright
 - b) Trade secret
 - c) Trademark
 - d) Infringement
25. These are the MyIPO functions, except:
- a) Establishing strong and effective administration
 - b) Promoting public awareness programmes on the importance of intellectual property
 - c) Providing lawyer services on intellectual property
 - d) Strengthening intellectual property laws

26. Below are the items you can protect with MyIPO, except:
- a) My business names
 - b) An Innovation, invention, or idea
 - c) My pet
 - d) A design
27. In a _____, the person filling in the form is expected to provide truthful and accurate information as is required.
- a) Declaration form
 - b) Bill of lading
 - c) Commercial invoice
 - d) Letter of credit
28. _____ is an eight-digit HS-based commodity nomenclature common among the 10 ASEAN Member States.
- a) Harmonized System Code (HS)
 - b) The ASEAN Harmonized Tariff Nomenclature (AHTN)
 - c) INCOTERM
 - d) Tariff codes
29. The customs agent performs some of the following tasks, except:
- a) protects the borders against smuggling
 - b) collects tariff and duties on imported goods
 - c) protects intellectual property rights
 - d) ignore the interests of local consumers
30. These are types of warehouses, except:
- a) Public Warehouses
 - b) Private Warehouses
 - c) Common Warehouses
 - d) Smart Warehouses.

31.

Letter of Credit
Must be issued on bank letterhead

From: _____ Bank's Name _____ Bank's Address _____ City, State, ZIP Code _____ Date _____	To: _____ Applicant's Name _____ Applicant's Address _____ City, State, ZIP Code _____
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Re: _____
 Subject

Credit Amount: \$ _____

Letter of Credit Number: _____

Project/Development: _____

Location: _____

Place and Date of Issue: _____

Place and Date of Expiration: _____

We hereby establish this letter of credit in your favor for the account of _____ up to the aggregate amount of \$ _____.

This letter of credit is available for payment against presentation of Beneficiary's drafts at sight drawn on [_____], bearing the clause "Drawn Under Bank Name, Credit No. _____", accompanied by the Beneficiary's signed statement reading:

_____ certifies that _____ has failed to complete the required improvements _____ for the project/development and we are therefore entitled to the sum of \$ _____.

Figure 1

Figure 1 is a document used during international trade transaction. A letter of credit is open on behalf of the _____.

- a) Exporter customers
- b) Importer customers
- c) Any party wishing to make payment abroad
- d) None of the above

32. The beneficiary under a letter of credit is _____.

- a) The bank opening the credit
- b) The customer of the opening bank
- c) The confirming bank
- d) The exporter

33. A Malaysian company plans to expand into Europe but is unsure whether to use direct exporting or joint venturing. Which factor is most critical when selecting an export strategy?
- a) The number of employees in the export firm
 - b) The ease of shipping logistics
 - c) The number of competitors in the local market
 - d) The level of control and risk tolerance of the company
34. A United States (U.S) automobile company partners with an Indian firm to set up a manufacturing plant instead of exporting cars from the U.S. Why might a company prefer joint venturing over direct exporting?
- a) To avoid sharing profits with another company
 - b) To avoid competition in the foreign market
 - c) To maintain full control over its operations
 - d) To leverage local knowledge and reduce costs
35. A new Korean skincare brand wants to expand globally but has a tight budget. Which export strategy would be most suitable for a startup with limited resources?
- a) Direct exporting
 - b) Joint venture
 - c) Direct investment
 - d) Licensing
36. Indonesia trades palm oil with Russia in exchange for military aircraft. How does countertrade benefit developing economies?
- a) It eliminates the need for international currency.
 - b) It allows countries with limited foreign currency to obtain essential goods.
 - c) It increases government control over trade.
 - d) It guarantees equal trade value.

37. A small Italian textile firm wants to sell products in Africa but lacks market knowledge. Why is an Export Trading Company (ETC) useful for exporters?
- a) ETC provides stability for foreign exchange rates.
 - b) ETC connects suppliers with foreign buyers and manages trade deals.
 - c) ETC acts as a direct investor in the exporter's company.
 - d) ETC eliminates tariffs and trade barriers.
38. A Canadian food brand hires an EMC to handle its exports to Asia. What role does an Export Management Company (EMC) play?
- a) EMCs provide financial investment for export businesses.
 - b) EMCs act as intermediaries, managing the entire export process.
 - c) EMCs manufacture products for export businesses.
 - d) EMCs are government-owned trade regulatory bodies.
39. A German electronics company contracts an Indonesian manufacturer to produce smartphones. What is the main disadvantage of contract manufacturing?
- a) The Indonesian company takes ownership of the brand.
 - b) The German company loses some control over quality and production.
 - c) The German company must invest heavily in infrastructure.
 - d) The German company faces higher tariffs.
40. A ship carrying imported electronics arrives at a Malaysian port but lacks clearance documents. What could happen if port clearance is not obtained?
- a) The cargo is immediately delivered
 - b) The ship cannot unload goods until port clearance is granted
 - c) The cargo is exempted from customs duties
 - d) The customs authorities pay storage fees

SECTION B (Total: 60 marks)

INSTRUCTION: Answer ANY THREE (3) questions.

Please use the answer booklet provided.

Question 1

- a) International trade is an exchange involving a good or service conducted between at least two different countries. The exchanges can be imports or exports. An import refers to a good or service brought into the domestic country. Explain FOUR (4) restrictions on trade between nations. Please include an example for each point. Use table to explain your points.

(10 marks)

- b) On April 2025, United States (U.S) has imposed 145% on all China imports. Due to this action, China has enacted several countermeasures such as imposed 125% on all U.S imports, suspended exports of critical rare earth elements and magnets to the U.S. and implemented additional tariffs ranging from 10% to 15% on U.S. agricultural products, including meat, soybeans, and dairy. Discuss FOUR (4) reasons Donald Trump (U.S President 2025) started the tariff war. Use table to explain your points.

(10 marks)

Question 2

- a) Goods and services produced in one country but supplied to buyers in another are known as exports. While international trade is made up of exports and imports. Discuss FOUR (4) benefits of export. Use table to explain your points.

(10 marks)

- b) Direct export means direct sales to a customer abroad. You send your invoice directly to the customer. Distinguish FIVE (5) advantages and disadvantages of Direct Exporting. Use table to explain your points.

(10 marks)

Question 3

- a) Customs Value is the total value of all items in your shipment and determines how much import duty the package recipient must pay. Explain FOUR (4) transaction value methods despite the primary basis for valuation. Use table to explain your points.

(10 marks)

- b) Operating in a global marketplace puts you in competition with multi-nationals and local firms. For international customers to have a real incentive to choose your business, they must be assured of the quality and variety of your offerings while being able to obtain them at favorable rates in a relatively straightforward manner. Distinguish FOUR (4) methods of receiving payment for products sold abroad. Use table to explain your points.

(10 marks)

Question 4

- a) A warehouse can be defined functionally as a building in which to store bulk produce or goods (*wares*) for commercial purposes. The built form of warehouse structures throughout time depends on many contexts: materials, technologies, sites, and cultures. Discuss FOUR (4) types of Warehouse. Use table to explain your points.

(10 marks)

- b) Warehouses preserve goods on a large-scale in a systematic and orderly manner. They provide protection to goods against heat, wind, storm, moisture, etc. and also cut down losses due to spoilage, wastage etc. This is the basic function of every warehouse. Explain FOUR (4) functions of warehouse. Use table to explain your points.

(10 marks)

END OF EXAMINATION QUESTIONS

