

MCQ on International Trade – Imports Class Date –14th-15th June 2025

1. What is the primary objective of the Foreign Trade Policy (FTP) 2023?

- a) To reduce exports and focus on the domestic market
- b) To promote ease of doing business and boost exports**
- c) To restrict foreign investment in India
- d) To increase import duties on all goods

2. Under FTP 2023, what is the targeted export milestone for India?

- a) \$500 billion
- b) \$1 trillion
- c) \$750 billion
- d) \$2 trillion**

3. What major change has been introduced for e-commerce exports under FTP 2023?

- a) Prohibition of e-commerce exports
- b) No changes have been made
- c) Integration of e-commerce exports with foreign trade facilitation**
- d) Mandatory government approval for all e-commerce transactions

4. Which sector is expected to benefit the most from FTP 2023?

- a) Oil & Gas
- b) Manufacturing & MSMEs**
- c) Automobiles
- d) Agriculture

5. The Foreign Trade Policy 2023 follows which approach?

- a) Short-term policy with annual revisions
- b) Long-term policy with no changes
- c) Dynamic and flexible approach without a fixed end date**
- d) A 10-year policy with fixed guidelines

6. Which organization is responsible for implementing FTP 2023?

- a) Reserve Bank of India (RBI)
- b) Directorate General of Foreign Trade (DGFT)**
- c) Securities and Exchange Board of India (SEBI)
- d) Ministry of Finance

7. Under FTP 2023, which initiative supports startups in the export sector?

- a) Startup India Export Hub
- b) Districts as Export Hubs**
- c) Digital India Export Scheme
- d) National E-commerce Promotion Scheme

8. What does SCOMET stand for?

- a) Special Commodities and Export Trade
- b) Special Clearance of Materials for Export Trade
- c) Scientific Chemicals and Overseas Material Export Terms
- d) Special Chemicals, Organisms, Materials, Equipment, and Technologies**

9. Who regulates the export of SCOMET items in India?

- a) Reserve Bank of India (RBI)
- b) Directorate General of Foreign Trade (DGFT)**
- c) Ministry of Home Affairs
- d) Securities and Exchange Board of India (SEBI)

10. SCOMET items are primarily controlled for which of the following reasons?

- a) To promote unrestricted global trade
- b) To prevent proliferation of weapons of mass destruction (WMD)**
- c) To increase India's defense exports
- d) To encourage foreign direct investment

11. What is required for exporting SCOMET items from India?

- a) No special approval is needed
- b) Approval from SEBI
- c) An Export License from DGFT**
- d) only an invoice and packing list

12. Which international non-proliferation agreement is India a part of that affects SCOMET regulations?

- a) Wassenaar Arrangement**
- b) NAFTA
- c) SAARC Trade Agreement
- d) World Trade Organization (WTO)

13. The Foreign Exchange Management Act (FEMA) was enacted in which year?

- a) 1991
- b) 1999**
- c) 2005
- d) 2013

14. What was FEMA introduced to replace?

- a) Income Tax Act, 1961
- b) Foreign Contribution Regulation Act (FCRA)
- c) Foreign Exchange Regulation Act (FERA)**
- d) SEBI Act, 1992

15. Which regulatory body oversees FEMA compliance in India?

- a) Securities and Exchange Board of India (SEBI)
- b) Reserve Bank of India (RBI)**
- c) Directorate General of Foreign Trade (DGFT)
- d) Ministry of Finance

16. Under FEMA, which type of transactions are classified as “Capital Account Transactions”?

- a) Payments for imports of goods
- b) Payments for travel expenses
- c) Remittances for family maintenance
- d) Foreign investment in India**

17. FEMA regulates which of the following?

- a) Domestic stock market operations
- b) International trade agreements
- c) Foreign exchange transactions**
- d) Real estate laws in India

18. What is the penalty for violating FEMA regulations?

- a) Up to twice the amount involved in the violation**
- b) A flat fine of ₹50,000
- c) Imprisonment for 10 years
- d) No penalty, only a warning

19. Which of the following is a key objective of FEMA?

- a) Controlling and restricting foreign exchange
- b) Facilitating external trade and payments**
- c) Increasing export duties
- d) Banning foreign direct investment

20. Which authority has the power to compound (settle) FEMA violations?

- a) Enforcement Directorate (ED)
- b) Reserve Bank of India (RBI)**
- c) Central Bureau of Investigation (CBI)
- d) Securities and Exchange Board of India (SEBI)

21. What is a High Seas Sale (HSS)?

- a) A sale that takes place at seaports only
- b) A sale of goods after they have arrived in India
- c) A sale of goods while they are still in transit, before reaching the port of destination**
- d) A sale of goods within a duty-free zone