

Question Text*	AnswerOption1*	AnswerOption2*	AnswerOption3	AnswerOption4	AnswerOption5	CorrectAnswer1*
What is the main purpose of a letter of credit?	To guarantee payment to the exporter	To ensure goods are shipped on time	To provide insurance for the shipment	To act as a receipt for goods	None of the above	To guarantee payment to the exporter
What is the role of the beneficiary in a letter of credit?	Issues the credit	Receives payment under the credit	Confirms the credit	Advises the credit	None of the above	Receives payment under the credit
What does 'CIF' stand for in Incoterms?	Cost, Insurance, and Freight	Cost, Insurance, and Fuel	Cost, Inspection, and Freight	Cost, Insurance, and Fines	None of the above	Cost, Insurance, and Freight
What is a partial shipment in terms of a letter of credit?	A shipment that is only partially paid for	A shipment that is incomplete	A shipment made in multiple parts	A shipment that is lost	None of the above	A shipment made in multiple parts
What is a red clause letter of credit?	A credit with a special condition allowing advance payment to the beneficiary	A credit with strict conditions	A credit issued in emergency situations	A credit that is confirmed by multiple banks	None of the above	A credit with a special condition allowing advance payment to the beneficiary
What is the difference between a confirmed and an unconfirmed letter of credit?	A confirmed credit has additional assurance of payment	A confirmed credit is issued faster	A confirmed credit is issued by two banks	A confirmed credit has fewer conditions	None of the above	A confirmed credit has additional assurance of payment
What is the role of the negotiating bank in a letter of credit?	Issues the credit	Confirms the credit	Pays the beneficiary under the credit	Advises the credit	None of the above	Pays the beneficiary under the credit
What is the main purpose of an insurance certificate in a letter of credit transaction?	To provide evidence of goods shipped	To ensure goods are insured during transit	To confirm the value of the goods	To provide proof of ownership	None of the above	To ensure goods are insured during transit
Which document typically indicates the origin of the goods?	Bill of Lading	Commercial Invoice	Certificate of Origin	Packing List	Insurance Certificate	Certificate of Origin
What is the main function of a packing list?	To provide a detailed list of items in the shipment	To confirm the value of the goods	To ensure the goods are insured	To act as a contract of carriage	None of the above	To provide a detailed list of items in the shipment
What is the purpose of a pre-shipment inspection?	To verify the quality and quantity of goods before shipment	To ensure timely payment	To confirm the shipping date	To verify the documentation	None of the above	To verify the quality and quantity of goods before shipment
What does 'EXW' stand for in Incoterms?	Ex Works	Ex Warehouse	Export Warehouse	Ex Wide	None of the above	Ex Works
What is a clean bill of lading?	A bill of lading indicating that goods were received in good condition	A bill of lading with no charges	A bill of lading without any clauses	A bill of lading that has been paid in full	None of the above	A bill of lading indicating that goods were received in good condition
What is the role of the importer in a documentary credit?	Applies for the credit	Issues the credit	Confirms the credit	Pays the advising bank	None of the above	Applies for the credit
What is a sight payment under a letter of credit?	Payment made upon presentation of documents	Payment made at a future date	Partial payment	Payment made before shipment	None of the above	Payment made upon presentation of documents
What is the purpose of a certificate of inspection?	To verify the goods before shipment	To ensure payment terms are met	To confirm the origin of goods	To provide a list of items shipped	None of the above	To verify the goods before shipment
What is the purpose of a commercial invoice in a letter of credit transaction?	To provide a description and price of the goods	To act as a receipt for goods	To ensure goods are insured	To verify the shipping date	None of the above	To provide a description and price of the goods
What does 'DDP' stand for in Incoterms?	Delivered Duty Paid	Delivery Due Payment	Delivered Date Payment	Delivery Duty Processed	None of the above	Delivered Duty Paid
What is a forwarder's cargo receipt?	A receipt issued by the freight forwarder	A receipt issued by the shipping company	A receipt issued by the exporter	A receipt issued by the importer	None of the above	A receipt issued by the freight forwarder
What does 'CFR' stand for in Incoterms?	Cost and Freight	Cost and Fuel	Cost and Finance	Cost and Forwarding	None of the above	Cost and Freight
What is the role of a reimbursing bank?	To provide reimbursement to the issuing bank	To confirm the letter of credit	To issue the letter of credit	To advise the letter of credit	None of the above	To provide reimbursement to the issuing bank
What is a documentary collection?	A method of trade finance where the exporter's bank collects payment from the importer's bank against documents	A method of verifying the quality of goods	A method of insuring goods during transit	A method of certifying the origin of goods	None of the above	A method of trade finance where the exporter's bank collects payment from the importer's bank against documents
What is the main function of a consular invoice?	To certify the value of the goods	To verify the quality of the goods	To ensure compliance with import regulations of the importing country	To act as a receipt for goods	None of the above	To ensure compliance with import regulations of the importing country
What is the purpose of a letter of indemnity?	To indemnify the carrier against any claims	To provide proof of ownership of goods	To confirm the value of goods	To ensure timely shipment	None of the above	To indemnify the carrier against any claims
What does 'SWIFT' stand for?	Society for Worldwide Interbank Financial Telecommunication	Secure Worldwide International Funds Transfer	Standard Worldwide Interbank Finance Transactions	Society for Worldwide International Fund Transfers	None of the above	Society for Worldwide Interbank Financial Telecommunication
Which party is responsible for providing the bill of lading?	Exporter	Importer	Shipping Company	Issuing Bank	Advising Bank	Shipping Company
What does 'DAP' mean in Incoterms?	Delivered At Place	Delivered After Payment	Delivery At Point	Delivered and Paid	None of the above	Delivered At Place

What does 'FOB' mean in Incoterms?	Free On Board	Freight On Board	Free Of Board	Freight Of Board	None of the above	Free On Board
What is the main purpose of Incoterms?	To define the responsibilities of buyers and sellers in international trade	To ensure timely payment	To verify the quality of goods	To provide insurance for goods	None of the above	To define the responsibilities of buyers and sellers in international trade
Which Incoterm places the most responsibility on the buyer?	FOB	CIF	EXW	DAP	DDP	EXW