



A STUDY ON PRE-SHIPMENT TRADE AND DOCUMENTATION AND PROCEDURES IN MASILAMANI TEXTILE PVT LTD

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ABSTRACT

Export documentation plays a vital role in international marketing as it facilitates the smooth flow of goods and payments thereof across national frontiers. A number of documents accompany every shipment. These documents must be properly and correctly filled. Export documentation is however, complex as the number of documents to be filled-in is large, so also is the number of concerned authorities to whom the relevant documents are to be submitted. Incorrect documents a may lead to non-delivery of goods to the importer you may get the correct documents after some time but in the meantime storage charge may have to be paid. Advisable to take the help of shipping and forwarding agents who will obtain and fill out the documents correctly as well as arrange for transportation. But every exporter should have adequate knowledge about export documents and procedures. Export documentation plays a vital role in international marketing as it facilitates the smooth flow of goods and payments thereof across national frontiers. A number of documents accompany every shipment.

1. INTRODUCTION

Exporters should seriously consider having the freight forwarder handle the formidable amount of documentation that exporting requires; freight forwarders are specialists in this process. The following documents are commonly used in exporting; which of them are actually used in each case depends on the requirements of both our government and the government of the importing country Pre-shipment stage consists of the following steps:

Approaching Foreign Buyers

In order to secure an export order, a new exporter can make use of one or more of the techniques, such as, advertising in international media, sales promotion, public relation, personal selling, publicity and participation in trade fairs and exhibitions.

Inquiry and Offer

An inquiry is a request from a prospective importer about description of goods, their standard or grade, size, weight or quantity, terms of payments, etc. On getting an inquiry, the exporter must process it App immediately by making an offer in the form of a proforma invoice.

Confirmation of Order

Once the negotiations are completed and the terms and conditions are finalised, the exporter sends three copies of proforma pre invoice to the importer for the confirmation of order. The importer signs these copies and sends back two copies to the exporter.

Opening Letter of Credit

The documentary credit or letter of credit is the most appropriate and secured method of payment adopted to settle international transactions. On finalization of the export contract, the importer opens a letter of credit in favor of the exporter, if agreed upon in the contract.

2. REVIEW OF LITERATURE

A Study on Leather Goods industry in Tamilnadu with special reference to exports. S.M.Mohamed Nasardeen – 2007. The study has been made to understand the present status of Indian leather goods industry. It has also evaluated the functioning and export performance. The study has considered the export marketing practices adopted by leather goods units. It has analyzed the prospects of

leather goods units and suggested measures for the improvement of their export performance.

A study on the problems and prospects for 100% EOU's in MEPZ-SEZ, Chennai. A. Thilakamary - 2006. The study has focused its attention on kinds of material and labour problems of exporting units in MPEZ-SEZ, problems faced by the units in raising finance, major marketing problems and evaluated their performance.

ECGC services to exporters - A study with reference to Coimbatore region. A. Muthuswamy - 2005. The study has evaluated the business and financial performance of ECGC (Export Credit Guarantee Corporation), utilization of export finance and related problems faced by exporters. It has also suggested that Reserve Bank of India to consider favourably the application for relaxation of pre-shipment credit period suggesting simplification in export procedures. The study has expressed that ECGC to take steps for promotion of export business through conducting awareness programmes and seminars through effective advertisement in business journals, magazines web etc.

A study of the export processing zones in India, T.S.Padmanabhan, 2000. The study has examined the facilities and privileges extended to export processing zone taking into account their contribution towards foreign trade and earnings. The study has also considered the measures of Central Government to improve the performance of export processing zone and also suggested measures for their improvement.

3. EXECUTION OF RESEARCH DESIGN

3.1. RESEARCH METHODOLOGY

Research methodology is the systematic, theoretical analysis of the procedures applied to a field of study (Kothari, 2004). **Methodology** involves procedures of describing, explaining and predicting phenomena so as to solve a problem; it is the 'how'; the process, or techniques of conducting **research**

3.2. Research Design

Research design adopted for this research is “**Descriptive Research** “. It includes surveys and fact-finding enquiries of different kinds. The major purpose of descriptive research is description of the state of affairs as it exists at present.

Sampling Framework

The population is finite and “**Simple random sampling method**” will be adopted for selecting samples from the finite one. Total population 1500, my sample size is 100.

Primary and Secondary Sources

Researchers need to consider the sources on which to base and confirm their research and findings. They have a choice between primary data and secondary sources and the use of both, which is termed triangulation, or dual methodology.

Primary data is the data collected by the researcher themselves, i.e.

1. interview
2. observation
3. action research
4. case studies
5. life histories
6. questionnaires
7. ethnographic research
8. longitudinal studies

Secondary data sources are data that already exists

1. Previous research
2. Official statistics
3. Mass media products
4. Diaries
5. Letters
6. Government reports
7. Web information
8. Historical data and information

3.3. Data collection

Data collection done through interactions with customers

Research Instrument

A **questionnaire** is a research instrument consisting of a series of questions (or other types of prompts) for the purpose of gathering information from respondents. The questionnaire was invented by the Statistical Society of London in 1838. Although questionnaires are often designed for statistical analysis of the responses, this is not always the case. Questionnaires have advantages over some other types of surveys in that they are cheap, do not require as much effort from the questioner as verbal or telephone surveys, and often have standardized answers that make it simple to compile data. However, such standardized answers may frustrate users. Questionnaires are also sharply limited by the fact that respondents must be able to read the

questions and respond to them. Thus, for some demographic groups conducting a survey by questionnaire may not be concrete.

RESEARCH TOOLS

This part of study is mainly focused on verifying main objectives of study. Researcher used **Chi square, simple percentage and graphs** as statistical tool for analysis of data.

HYPOTHESIS

HO: There is no significance relationship between Age and Does the rising rupee value against dollar (or any other foreign currency) appreciate your business

H1: There is a significance relationship between Age and Does the rising rupee value against

dollar (or any other foreign currency) appreciate your business

4. DATA ANALYSIS AND INTERPRETATION

The term analysis refers to the computation of certain measures along with searching for patterns of relationship that exist among data groups. The data after collection has to be processed and analyzed in accordance with the outline laid down in research plan or research design. This is essential for a scientific study and for ensuring that we have all relevant data for making comparisons and analysis. Technically processing of data implies editing, coding, classification and tabulation of collected data so that they are available for analysis.

Table 4.1 Gender wise distribution of response

Gender	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	77	77.0	77.0	77.0
Valid female	23	23.0	23.0	100.0
Total	100	100.0	100.0	

INTERPRETATION

In the above table 77% respondents are male and 23% respondents are female. According to the analysis most of the employees are male.

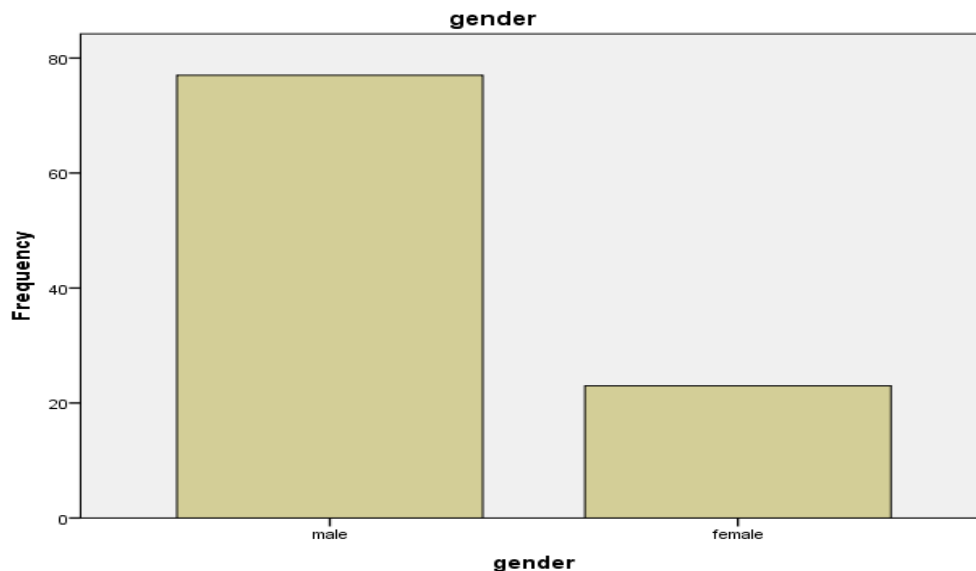
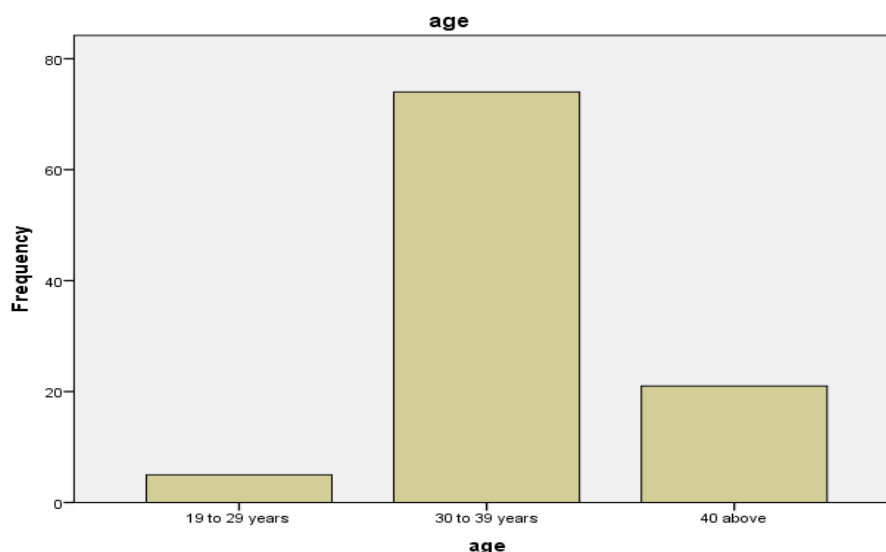


Table 4.2 Age wise distribution of response

Age	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 19 to 29 years	5	5.0	5.0	5.0
30 to 39 years	74	74.0	74.0	79.0
40 above	21	21.0	21.0	100.0
Total	100	100.0	100.0	

INTERPRETATION

In the above table 5 % respondents are belongs to 19 to 29 years of age, 74% respondents are belongs to 30 to 39 years of age, 21% respondents are belongs to above 40 years of age. According to the analysis most of the employees are between 30 to 39 years of age

**Degrees of freedom**

$$= c-1 \times r-1$$

$$= 3-1 \times 3-1$$

$$= 2 \times 2$$

$$= 4$$

Calculated value 1.3839

Table value 9.49

HYPOTHESIS

HO: There is no significance relationship between Age and Does the rising rupee value against dollar (or any other foreign currency) appreciate your business

H1: There is a significance relationship between Age and Does the rising rupee value against dollar (or any other foreign currency) appreciate your business

5. CONCLUSION

It is concluded that size of the organization significantly influence the marketing behaviour of exporters. And experience of the organization affect the marketing behaviour within certain size stages beyond that it has insignificant influence. Further the size and experience of the organization play a significant role in classifying the exporters into three different stages, viz., medium-sized exporters, experienced small exporters and less experienced small exporters. Medium-sized exporters who are more experienced, export to more number of countries and visit foreign countries frequently. Further this group of exporters perceive marketing variables as more important, less problematic and better competitive advantage. With regard to marketing orientation, this group of exporters collect more

information, plan their activities better, improve the products considerably, charge different prices for different buyers in the same market and also different market, use advertising, participate in fair inside and outside of the country and conduct the overseas business through overseas branch office as well as foreign dealers/distributors.

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