



**National University of
Science and Technology**
Think in Other Terms



**FACULTY OF COMMERCE
DEPARTMENT OF FINANCE**

BACHELOR OF COMMERCE HONOURS DEGREE IN FISCAL STUDIES

PART IV - 1ST SEMESTER FINAL EXAMINATION– DECEMBER 2015

CUSTOMS MANAGEMENT THEORY AND PRACTICE I [CFS 4101]

TIME ALLOWED: 3 HOURS

INSTRUCTIONS TO CANDIDATES:

- 1) Answer any **FOUR(4)** questions.
- 2) Questions may be written in any order, but must be legibly numbered.
- 3) Write legibly.
- 4) Show **ALL** workings.

INFORMATION FOR CANDIDATES

- 1) The paper contains **SIX (6)** questions.
- 2) This paper consists of **THREE (3)** printed pages, including cover page.
- 3) All questions carry equal marks [25 marks] and part marks are indicated in brackets at the end of each part question.

ADDITIONAL MATERIAL

- 1) None

QUESTION ONE

a) Describe the characteristics of the following customs programmes, clearly explaining the differences between them.

- i. The United States Customs and Border Protection's (US CBP)
- ii. Customs and Trade Partnership against Terrorism (C-TPAT).

(9 Marks)

b) Explain why the Container Security Initiative (CSI) was made and how it differs from the 24 Hour Advance Vessel Manifest Rule.

(9 Marks)

c) What are the potential implications of the above US CBP programmes to developing countries?

(7 Marks)

QUESTION TWO

a) Discuss the concept of the **burden of proof** in the context of the General Agreements on Trade and Tariffs (GATT), and explain how the Uruguay Round burden of proof differs from the Tokyo Round burden of proof?

(15Marks)

b) Explain what necessitated the change in terms of the content of the burden of proof and whether the changes impacted the intended beneficiaries?

(10 Marks)

QUESTION THREE

World Trade Organisation's (WTO) GATT Articles V, VIII and X are trade facilitation initiatives.

Critically evaluate, with specific examples, the extent of Customs Administration's compliance with the provisions of these articles.

(25 Marks)

QUESTION FOUR

During the 50th Anniversary of the World Customs Organisation (WCO) in 2002, the leaders of Customs Administrations reflected on the main issues impacting

the effective and efficient functioning of customs in the future. The result was a major policy document called 'Customs in the 21st Century' by the WCO.

- a) Explain the main strategic policy issues that were discussed in the document, including their intended objectives. **(18 marks)**
- b) What is the impact of these policy issues to Custom Administrations? **(7 Marks)**

QUESTION FIVE

- a) With the aid of the '**3x3 matrix risk analysis tool**', carry out an assessment of 5 possible risks faced by a customs organization of your choice. **(20 Marks)**
- b) Giving reasons, explain if the **3x3 matrix risk analysis tool** provides a fair assessment of the risk in your organization? **(5 Marks)**

QUESTION SIX

With the aid of examples, critically examine the impact of Preferential Rules of Origin on international trade and the economic implications of different Rules of Origin. **(25 Marks)**

END OF EXAMINATION PAPER