Facultat d'Economia i Empresa

External trade (Comerç Exterior)

Code: 102324 **Grup 4**
Track: ADE Fall term

Preliminary tutorial INCOTERMS (II)

1) Consider the following problem:

   A seller agreed to deliver 300 tons of coffee to a buyer with DAT terms of sales in Minneapolis. The goods were transported and downloaded at the port of New York and kept at the customs shed for inspection and payment of duties. The buyer was notified of the arrival of the merchandise at its location. Before the buyer picked up the goods, the customs shed (including the merchandise in it) was destroyed by fire. The buyer claims refund of the purchase price stating she did not receive the good. Is she right? Is the seller responsible?

2) The firm Textile S.A (headquarter in Malaga) delegates to its representative in India to buy local craftmade dresses to be sold in Spain. The local representative is able to find a convenient provider in Madras. This provider is able to deliver 1000 different dresses at a price of 10€ each. The exchange bill is an EXW type. The other costs are the following:

   a) The transport cost from Madras to Malaga is 2000 € whose 20% is for the internal delivery in Spain,
   b) An insurance for the transport equivalent to the 20% of the legal minimum value and with the correspondent split as for the transport costs,
   c) A *ad-valorem* tariff equals to 10%,
   d) A commission to be paid to the representative of 10% of the EXW value.

Determine:

1. The value of the merchandise at the customs in Madrid.
2. The TVA to be paid on this import operation in Madrid.
3. The final total cost the Textile firm has to pay and the (minimum) selling prices knowing that the firm applies a 25% of mark-up over costs.