



▶ 90 minutes

▶ In pairs (Student A: importer, carrier; Student B: exporter, issuing bank clerk)



An international transaction

BUSINESS SCENARIO

Food Importers LLC, based in New York, would like to expand their business, which sells Italian food products in American stores and restaurants. In particular, they are looking for an Italian PDO (Protected Designation of Origin) cheese exporter.

STEP 1 ENQUIRY

Role: importer (Student A)

You are purchaser manager Michelle Caruso at *Food Importers LLC* (189 W 55th St, New York City, NY 10019-4902). After researching potential exports, you have identified and selected the Italian cheese producer and exporter *Best Italian Cheese*. Contact Mr Gianni Castelli from *Best Italian Cheese* and write an enquiry email on 10th February 20... in which you:

- introduce yourself and show interest in importing their products
- say you would like to receive their catalogue and best quotation
- ask for information about Aged Pecorino and Sharp Provolone
- would like to know about their delivery and payment terms
- express hope for future business relationships.



STEP 2 REPLY TO ENQUIRY

Role: exporter (Student B)

You are Gianni Castelli from *Best Italian Cheese*, Via Garibaldi, 18, 40124 Bologna. You have received an enquiry from Food Importers LLC, who are interested in establishing a business relationship with you. On 13th February 20... reply to the enquiry and:

- thank Michelle Caruso for contacting you
- say you have attached your new catalogue and up-to-date price list
- state your delivery (30 days from receipt of order) and payment terms (Irrevocable Letter of Credit at 30 days)
- close appropriately.



STEP 3 ORDER

Role: importer (Student A)

After examining *Best Italian Cheese's* catalogue and price list, on 20th February 20.. you place a trial order for 50 kg of Sharp Provolone (art. No. 1364, price \$60 per kg) and 80 kg of Aged Pecorino (art. No. 1389, price \$48 per kg). The cheese will be shipped by ocean vessel by 7th March. Complete the order form.

DATE	1 _____			
ORDER NO.	BJ498			
CUSTOMER	2 _____			
QUANTITY	ART. NO.	DESCRIPTION	UNIT PRICE (\$)	TOTAL
3 _____	5 _____	7 _____	9 _____	11 _____
4 _____	6 _____	8 _____	10 _____	12 _____

DELIVERY: consignment on 13 _____

EXPORTER: 1 _____			IMPORTER: 2 _____			
Order number	Date	Bank	Delivery	Payment	Customer Code	Swift
91317	21.02.20...	Banca Nazionale del Lavoro IT60X010050240 4000000086495	3 _____	4 _____	73422	BNLIITRRXXX
Packaging	Item Code	Description	Quantity (kg)	Unit Price (\$)	Total price (\$)	VAT
n. 1 x 20' insulated 5 marked 6	1364 1389	Sharp Provolone 7	8 80	9 10	11 12	0% 0%
					Freight Insurance	13 250
					INVOICE TOTAL	14 _____

STEP 4 INVOICE**Role: exporter (Student B)**

You have received the order from *Food Importers LLC* in New York. On 21st February 20... you prepare the pro forma invoice No. 119 with this data:

- goods packed in one 20-inch insulated foam container and marked BEST ITALIAN CHEESE
 - delivery terms: CIF New York
 - last date of shipment: 7th March 20...
 - cost of freight \$390, insurance \$250
 - payment: by irrevocable letter of credit at 30 days
 - Letter of Credit expiry date: 21st March 20...
 - no VAT for exports to the USA.
- Complete the document.

BILL OF LADING

SHIPPER 1 _____		B/L No. WF-901	
CONSIGNEE 3 _____		CARRIER NAME 2 _____	
MARKS AND NUMBERS 6 _____		VESEL MSC Venus	GROSS WEIGHT 9 _____
NO. AND KIND OF PACKAGES 7 _____	DESCRIPTION OF GOODS 8 _____	PORT OF LOADING 4 _____	PORT OF DISCHARGE 5 _____
MEASUREMENT 0,60 m ³	FREIGHT AND CHARGES Prepaid	NO. OF ORIGINAL B(S)L 3 (three)	
CLEAN B/L: goods received in apparent good order and condition			
PLACE OF ISSUE 10 _____	DATE OF ISSUE 11 _____	FOR THE CARRIER Intercargo Services <i>Carlo Armani</i>	

STEP 5 BILL OF LADING**Role: carrier (Student A)**

You work for Intercargo Services, Via Bosco 57, 16121 Genova. On receipt of the goods, you have to issue a Bill of Lading dated 7th March 20... (ship departure date) to carry them to New York port.
Complete the B/L.

1 _____	
<i>Irrevocable Letter of Credit No. CFG31B000598</i>	
Issue date: 2 _____	Expiry Date: 3 _____
Applicant: 4 _____	Beneficiary: 5 _____
Advising Bank: 6 _____	Amount: 7 _____
Partial shipments: NOT allowed	Port of Loading: 8 _____
Transhipments: NOT allowed	Port of Destination: 9 _____
Delivery terms: EXW Bologna	Latest date of shipment: 20th February 20...
Credit available against the documents detailed herein and beneficiary's draft at 30 days.	
Description of goods: 10 _____, as per pro forma invoice No. 11 _____ of 12 _____	
Documents required:	
- signed invoice in three copies	- full set of clean Bill of Lading in two copies
- packing list in three copies	- insurance policy in two copies.
- certificate of Italian origin in three copies	
All these documents must be presented within 15 days from the B/L date.	

STEP 6 LETTER OF CREDIT**Role: clerk at issuing bank (Student B)**

You work for the *Bank of America*, 550 7th Ave, New York City 10018. Your client Michelle Caruso from *Food Importers LLC* has presented all the necessary documents to open a credit in favour of Best Italian Cheese in Bologna. On 22nd February 20... you issue an irrevocable Letter of Credit at 30 days, which expires on 21st March 20... (15 days after the shipment) to be sent to Banca Nazionale del Lavoro, Piazza XX Settembre 18, 40121 Bologna.
Complete the letter of credit.

Authorized signature
Michelle Caruso