

Quiz on INCOTERMS. Drag and Drop the title of each paragraph

1.

Mode of transport: Multimodal

With the seller has the least responsibility. The seller is responsible for delivering the goods to the buyer at the seller's premises, depot or any other agreed places. From there on, all responsibility and risks are with the buyer. It means,

1. The delivery point is the seller's premises
2. The buyer pays for the export from the seller's premises and imports it to the destination.
3. The buyer arranges for all modes of transport.
4. The buyer pays for the insurance

is often used while making quoting initial prices for sale contracts. In practice, this incoterm can have practical difficulties, especially in cross border assignments. These difficulties may include the buyer's inability to arrange for export formalities.

2.

Mode of transport: Multimodal

is just the opposite of Ex-works. The seller has the most responsibility. The seller is responsible to deliver the goods at the buyer's premises, depot or any other place as agreed. It means that from seller's premises to buyer's premises or any other agreed-on place

1. The delivery point is the buyer's premises or other place agreed.
2. The seller handles the cargo and pays for export as well as import dues and
3. The seller arranges the transport of the cargo. This also means that in the case of sea transport, the seller will be the shipper of the goods.
4. The seller pays for the insurance.

As in Ex-works, can also have practical difficulties in cross border assignments. In , the seller is responsible to clear the import formalities but the seller may not have the local knowledge & expertise to clear import formalities.

3.

Mode of transport: Multimodal

means the delivery point is the carrier or other person nominated by the buyer at the seller's premises or other agreed place. If the agreed place is the seller's premises, delivery takes place when the goods are loaded on the truck. If the agreed place is not the seller's premises, then the delivery takes place when the truck arrives at this place and is ready for unloading. In

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1. The delivery point is the seller's premises or any other place agreed.
2. The buyer pays for the export from the seller's premises and imports it to the destination.
3. The buyer arranges for all modes of transport

In incoterm, the agreed place has implications on the loading of the carrier. If the agreed place is the seller's premises, then the seller handles the loading. If the agreed place is other than the seller's premises, then the seller has delivered the goods once the carrier arrives at the agreed place.

" seller's premises" might look similar to Ex-works but there is one main difference. In , the seller has the obligation to load the goods on the carrier.

4.

Mode of transport: Sea

means the seller delivers the shipment to the carrier nominated by the buyer. There is only a slight difference between FCA and . One difference is the mode of transport. While FCA is applicable for multimodal transport, is used only for sea transport. In , the seller passes the risk to the buyer when the shipment crosses the ship's rail. In FCA, the seller has the obligation to load the shipment onto the carrier arranged by the buyer which is prior to the main carrier.

5.

Mode of transport: Sea

By , it means while the seller bears the of shipment to the destination the risk is with the buyer. And that is also the main difference between and FOB incoterms. In FOB, the seller delivers the shipment and passes the risk to the buyer when the shipment crosses the ship's rail. But, in , he also pays for the until the shipment reaches the destination. This was exactly the point discussed earlier. Arranging for the transport does not mean that the risk is with the party arranging the transport. In this case, the seller arranges the main transport (The seller is the shipper), but he has already delivered the shipment or passed the risk to the buyer upon shipment crossing the ship's rail.

Cost and Freight (CFR)

Free Onboard (FOB)

Delivered duty paid (DDP)

EXW (Ex-Works)

Free Carrier (FCA)