

## **FDI In Training**

**Q.1** As per FEMA Notification No. 20 (R), what does term 'Trading' covers ?

- a. Duty Free Shops
- b. E-Commerce
- c. Cash & carry Wholesale Trading
- d. All of the above.

(Ans: d, Slide 2)

**Q.2** The test to determine whether the sale is wholesale or not would not depend on the type of customers to whom the sale is made but the size and volume of sales.

- a. True
- b. False

(Ans: b, Slide 5 – Point 4)

**Q.3** Inventory of a Vendor will be deemed to be controlled by e-commerce marketplace entity if more than \_\_\_ % of purchases of such vendor are from the marketplace entity or its group companies which will render the business into inventory based model.

- a. 40%
- b. 15%
- c. 25%
- d. 51%

(Ans: c, Slide 15 – Point 1)

**Q.4** An entity having equity participation by e-commerce marketplace entity or its group companies or having control on its inventory by e-commerce marketplace entity or its group companies, will not be permitted to sell its products on the platform run by such marketplace entity.

- a. True
- b. False

(Ans: a, Slide 15 – Point 2)

**Q.5** One of the conditions of Cash & Carry Wholesale trading/Wholesale trading is – WT to group companies taken together should not exceed \_\_\_ % of the total turnover of the wholesale venture.

- a. 25%
- b. 51%
- c. 10%
- d. 60%

(Ans: a, Slide 9 – Point 2 )

**Q.6** FEMA Notification No. 20(R) dealing with Foreign Direct Investment in India and Sectors permitting FDI. As per the said Notification- Sectoral limit under single brand product retail trading under automatic route is how much % of equity/FDI cap:

- a. 49%
- b. 51%
- c. 75%
- d. 100 %

(Answer : d, Slide 19)

**Q.7** FEMA Notification No. 20(R) dealing with Foreign Direct Investment in India and Sectors permitting FDI. As per the said Notification-Sectoral limit under multi brand product retail trading under government route is how much % of equity/FDI cap:

- a. 49%
- b. 51%
- c. 75%
- d. 100 %

(Answer : b, Slide 26)

**Q8** FEMA Notification No. 20(R) dealing with Foreign Direct Investment in India and Sectors permitting FDI. As per the said Notification- under multi brand product retail trading under government route is how much Minimum amount to be brought in as foreign investment would be

- a. USD 50 millions
- b. USD 100 millions
- c. USD 250 millions
- d. USD 500 millions

(Answer : b Slide 27)

**Q9** Duty Free Shop entity shall engage into any retail trading activity in the Domestic Tariff Area of the country?

a. True

b. False

(Answer : b Slide 32)

**Q10** Does the FDI policy on single brand retail trading apply to Indian brands seeking foreign investment?

a. Yes

b. No

(Answer : a Slide 24)