|  |
| --- |
| VIETNAM NATIONAL UNIVERSITY, HANOI  **University of Languages and International Studies**  **FACULTY OF ENGLISH LANGUAGE TEACHER EDUCATION**  **GRADUATION PAPER**  **A STUDY ON PRICE ELEMENTS**  **IN ELEVEN TERMS IN INCOTERMS 2010**  Supervisor: Assoc. Prof. Nguyen Xuan Thom  Student: Nguyen Quynh Trang  Course: 2010  Hanoi, 5/2014 |

|  |
| --- |
| ĐẠI HỌC QUỐC GIA HÀ NỘI  **Đại học Ngoại Ngữ**  **KHOA SƯ PHẠM TIẾNG ANH**  **KHÓA LUẬN TỐT NGHIỆP**  **NGHIÊN CỨU VỀ CÁC YẾU TỐ GIÁ CẢ ĐƯỢC SỬ DỤNG TRONG 11 ĐIỀU KIỆN CỦA “CÁC ĐIỀU KHOẢN THƯƠNG MẠI QUỐC TẾ 2010”**  Giáo viên hướng dẫn: PGS.TS Nguyễn Xuân Thơm  Sinh viên: Nguyễn Quỳnh Trang  Khóa: 2010  Hà Nội, 5/2014 |

**ABSTRACT**

The paper focused on investigating the price elements in 11 terms in Incoterms 2010 and these price terms’ frequency of use in international transactions. The paper was conducted to find out the logistic costs included in eleven price terms given by seller in international transactions. Besides, the most favorable price terms used in seven main regions in the world and particularly in Vietnam were also pointed out along with giving reasons for their preference to businessmen. In order to achieve these aims, both quantitative and qualitative methods were employed.

At the end of the paper, through data collection and analysis, the logistics costs included in each terms as well as the most dominant price terms in international transactions and Vietnam are pointed out clearly. Overall, the researcher has partially succeeded in providing readers with both useful knowledge about economic terminology and practical information about international business. However, there still exits some limitations which leave room for improvement of the study. Finally, the researcher also offers some suggestions for further studies in the future.

**TABLE OF CONTENTS**

**TABLE OF CONTENT**  **PAGE**

**Acknowledgements** i

**Abstract** ii

**List of tables and charts**  vii

**CHAPTER 1: INTRODUCTION**

1.1 Statement of the problem and the rationale for the study 1

1.2 Aims and objectives of the study 2

1.3 Significance of the study 3

1.4 Scope of the study 4

1.5 Organization of the study 5

**CHAPTER 2: LITERATURE REVIEW**

2.1 Introduction of terminology 6

2.1.1 Definition of terminology 6

2.1.2 Characteristics of terminology 6

2.1.2.1 Precision 6

2.1.2.2 Emotional neutrality 7

2.1.2.3 Systematism 7

2.1.2.4 Internationalism 7

2.1.2.5 Popularity 7

2.1.3 The creation of terminology 8

2.2 Explanation of important terms 8

2.2.1 Definition of price term 8

2.2.2 Contract for international sale of goods 8

2.3 An overview of INCOTERMS 9

2.4 An overview of INCOTERMS 2010 10

2.4.1 The presentation and classification of 11 t terms 10

2.4.2 Brief explanation of 11 terms 12

2.4.2.1 EXW – Ex works 12

2.4.2.2 FCA – Free Carrier (named place) 12

2.4.2.3 FAS – Free Alongside Ship (named port of shipment) 12

2.4.2.4 FOB – Free On Board (named port of shipment) 13

2.4.2.5 CFR – Cost & Freight (named port of destination) 13

2.4.2.6 CIF – Cost, Insurance & Freight 13

(named port of destination)

2.4.2.7 CPT – Carriage Paid To (named port of destination) 14

2.4.2.8 CIP – Carriage & Insurance Paid To 14

(named place of destination)

2.4.2.9 DAT – Delivered At Terminal 14

(named terminal of destination)

2.4.2.10 DAP – Delivered At Place 14

(named place of destination)

2.4.2.11 DDP – Delivered Duty Paid 14

(named port of destination)

2.5 Fundamental principle to calculate price following 11 terms 15

**CHAPTER 3: METHODOLOGY**  17

**CHAPTER 4: RESULTS AND DISCUSSION**

4.1 Findings of the study 19

4.1.1The component parts of price element in 11 terms 19

in INCOTERMS 2010

4.1.1.1 EXW price 19

4.1.1.2 FCA price 19

4.1.1.3 FAS price 20

4.1.1.4 FOB price 21

4.1.1.5 CFR price 21

4.1.1.6 CIF price 22

4.1.1.7 CPT price 23

4.1.1.8 CIP price 23

4.1.1.9 DAT price 23

4.1.1.10 DAP price 24

4.1.1.11 DDP price 25

4.1.2 The frequency of 11 price terms in practical use 25

4.1.2.1 The most commonly-used price terms in international 26

freight by region

4.12.1.1 In China/ Hong Kong 26

4.1.2.1.2 In other Asia (non-China) 27

4.1.2.1.3 In Pacific Rim 27

4.1.2.1.4 In Western Europe 28

4.1.2.1.5 In Eastern Europe 29

4.1.2.1.6 In Africa/ Middle East 30

4.1.2.1.7 In Central/ South America 31

4.1.2.2 The most commonly-used price terms in Vietnam 32

4.2.2.1 In export 33

4.2.2.2 In import 33

4.2 Discussions of the findings 36

4.2.1 Explanation for some price terms’ high frequency 36

of use in international freight

4.2.2. Vietnam’s advantages and disadvantages when using 38

these prices

**CHAPTER 5: CONCLUSION**

5.1 Major findings and contribution of the research 40

5.2 Limitations of the study 41

5.3 Suggestions for further study 42

**REFERNCES**

**GLOSSARY**

**LIST OF TABLES AND CHARTS**

**TABLES**  PAGE

Table 2.3.1.1: Presentation of the 11 terms 10

Table 2.3.1.2: Classification of Incoterms 2010 as mode of transport 11

Table 2.3.1.3: Classification of Incoterms 2010 as Olegario Llamazares 11

Table 2.5.1: The categories of costs 16

Table 4.1.2.1: The respondents’ choices in using price terms by regions 32

Table 4.1.2.2.1 Reference to export prices of some commodities 33

at the 3rd week April 2012

Table 4.1.2.2.2 Reference to export prices of cashew nut 34

in some markets on June 7th 2011

Table 4.1.2.2.1 Reference to import prices of some commodities 35

at the 3rd week April 2012

**CHARTS**

Chart 4.1.2.1.1: The percentage of respondents ‘choices in using 27

price terms in China/ Hong Kong

Chart 4.1.2.1.2: The percentage of respondents ‘choices in using 27

price terms in Other Asia

Chart 4.1.2.1.3: The percentage of respondents ‘choices in using 28

price terms in Pacific Rim

Chart 4.1.2.1.4: The percentage of respondents ‘choices in using 29

price terms in Western Europe

Chart 4.1.2.1.5: The percentage of respondents ‘choices in using 30

price terms in Eastern Europe

Chart 4.1.2.1.6: The percentage of respondents ‘choices in using 30

price terms in Africa/Middle East

Chart 4.1.2.1.7: The percentage of respondents ‘choices in using 31

price terms in Central/ South America

**REFERENCES**

**ENGLISH REFERENCES**

Astrup, J., Bertasi, S., Hassan, A. (2003). *Guide to Export-Import Basics*, 2nd edition, No 641. New York: ICC Publishing Paris.

Debattista, C. (2011, December 2). *Professor Debattista on Incoterms 2010.*

Emily, O.C (2013). [*Incoterms® 2010 Q&A: Questions and expert ICC guidance on the Incoterms® 2010 rules*](http://www.uscib.org/index.asp?documentID=4503). New York: ICC Publishing.

*International Shipping and Incoterms: what the New International Freight Shipping Terms Mean to You* (2011)*.* Supply Chain Consortium.

Kral, T. (1994). *Economic Consideration, English through content:* *Applied economics*. Washington D.C. The materials Development and Review Branch.

Llamazares, O. (2013). *Practical guide to Incoterms*. Madrid: Business Publisher.

Nicolas, H., Gilbert, L., Jacques, R. (May 2009). *Business Environment Factors, Incoterms Selection and Export Performance*, Vol. 2, No. 2, pp. 63-78.

Oscar G. , Attorney, (June 2011). *Incoterms and international sales contracts*. Washington DC Publisher.

Piltz, B., (24 April 2000). *INCOTERMS and the UN Convention on the International Sale of Goods.*  Published paper contained in Semenov O CISG online 20 years conference. Retrieved February 10 from <http://www.20jahre.cisg-library.org/piltz_intro.html>.

Ramberg, J., (2011). *ICC guide to Incoterms 2010* (2011 Edition). Paris: ICC Publishing.

Sassoon, D.M., (1967) *The Origin of FOB and CIF Terms and the Factors Influencing their Choice*.

United Nations Development Programme (UNDP), (November 2008). *Shipping and INCOTERMS – Practical guide*. Author: Procurement Support Office, Bureau of Management.

**VIETNAMESE REFERENCES**

Hoàng Thị Bảy (2005). *A study on the translation of economic terminology* (Nghiên cứu các dịch thuật ngữ chuyên ngành kinh tế). Nhà xuất bản Đại học Ngoại ngữ.

Mai Văn Sao (2009). *[Semantic feature of some basic delivery terms used in international business contracts (Các đặc điểm ngữ nghĩa của một số điều khoản giao hàng cơ bản trong hợp đồng thương mại quốc tế)](http://www.lic.vnu.edu.vn:8000/cgi-bin/gw_49_5_4/chameleon?sessionid=2014050320433707794&skin=Citrus&lng=vn&inst=consortium&host=localhost%2b1111%2bDEFAULT&search=SCAN&function=INITREQ&sourcescreen=INITREQ&elementcount=1&t1=Semantic%20feature%20of%20some%20basic%20delivery%20terms%20used%20in%20international%20business%20contracts%20%3d%20C%c3%a1c%20%c4%91%e1%ba%b7c%20%c4%91i%e1%bb%83m%20ng%e1%bb%af%20ngh%c4%a9a%20c%e1%bb%a7a%20m%e1%bb%99t%20s%e1%bb%91%20%c4%91i%e1%bb%81u%20kho%e1%ba%a3n%20giao%20h%c3%a0ng%20c%c6%a1%20b%e1%ba%a3n%20trong%20h%e1%bb%a3p%20%c4%91%e1%bb%93ng%20th%c6%b0%c6%a1ng%20m%e1%ba%a1i%20qu%e1%bb%91c%20t%e1%ba%bf.%20M.A%20Minor%20Thesis%20Linguistics%3a%2060%2022%2015%20%2f%20Mai%20V%c4%83n%20Sao%20%3b%20Supervisor%20%3a%20Dr.%20D%c6%b0%c6%a1ng%20Th%e1%bb%8b%20N%e1%bb%a5&u1=4&pos=1&rootsearch=KEYWORD&beginsrch=1)*. Nhà xuất bản Đại học Ngoại ngữ.

Nguyễn Trọng Thùy & Lê Chí Thanh (2007). *Những điều kiện thương mại quốc tế Incoterms 2000*. Nhà xuất bản Tài chính.

Nguyễn Xuân Thiên (2011). *Giáo trình thương mại quốc tế*. Nhà xuất bản Đại học Quốc gia Hà Nội.

Nguyễn Văn Tiến (2009). *Giáo trình thanh toán quốc tế và tài trợ ngoại thương UCP 600 & ISBP 681 song ngữ* (pp 95-143) ( fourth edition). Nhà xuất bản Thống kê.

Nguyễn Hữu Hiền (2014). *Bảo hiểm hàng hóa xuất nhập khẩu của Việt Nam trong bối cảnh hội nhập kinh tế quốc tế*. Research and discussion. Retrieved April 14, 2014 from

<http://www.baovietnhantho.com.vn/newsdetail.asp?websiteId=1&newsId=66&catId=33&lang=VN>

Ramberg, J., Nguyễn Trọng Thùy & Nguyễn Thị Được (2006). *Hiểu và sử dụng tốt Incoterms 2000*. Nhà xuất bản Thống kê.

**DICTIONARIES**

Financial dictionary. Retrieved February 10, 2014 from

<http://www.investopedia.com>

Business dictionary. Retrieved February 10, 2014 from

<http://www.businessdictionary.com/>