

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA – SEMESTER III – EXAMINATION – WINTER 2019

Subject code: 4539281

Date: 02 -12 -2019

Subject Name: International Business

Time: 10:30 am to 01:30 pm

Total Marks: 70

Instructions:

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

- Q.1 (b) Definition/ Short Questions (Explain each with an Example) 14**
- 1 Expatriates
 - 2 Laissez Faire
 - 3 Hard & Soft currency
 - 4 Rule of Thumb
 - 5 Economic nationalism
 - 6 BRICS
 - 7 Expropriation
- Q.2 (a) Differentiate between domestic business and international Business. 07**
- Q.2 (b) What is political Risk? Which are the different political risks associated with international business? 07**
- OR**
- Q.2 (b) Explain various tariffs and non-tariff instruments available for trade control. 07**
- Q.3 (a) Which are the different economic systems prevailed in current world? Why most government wants to transit to market economy? 07**
- Q.3 (b) Define foreign exchange. And explain major factors determining the foreign exchange rate in IB. 07**
- OR**
- Q.3 (a) What are the different types of integration – responsiveness (IR) Grid (II) quadrant? Explain various strategies derived from the IR grid. 07**
- Q.3 (b) Explain modern trade theories of International trade in detail. 07**
- Q.4 (a) Write a short note on corporate governance and corporate social responsibility in international business context. 07**
- Q.4 (b) The difference between total market potential and companies' sales is due to gaps. Explain various types of Gapes with suitable example. 07**
- OR**
- Q.4 (a) Write a short on EPRG framework in international Business context. 07**

- Q.4** (b) Explain nation, people and language as both stabilizer and diffuser of culture in international business context. **07**

Q.5 Case Study

Mahindra & Mahindra

Mahindra & Mahindra (M & M) is a major player in the tractor and certain segments of the automobile market in India. After an impressive growth for a few years, the tractor market in India has been stagnating during 1998-1999 to 2000-2001.

M & M has been selling its tractors and utility vehicles in foreign markets including USA. Some of the components for its products have been sourced from abroad. M & M has a 100 per cent subsidiary in USA, Mahindra USA, with a strong network of 100 dealers.

Mahindra has a five per cent market share in the US market in the 20-30 horse power (HP) range. As a part of the strategy aimed at building a global supply chain, Mahindra USA has signed a memorandum of understanding (MoU) with the Korean tractor major Tong Yang, a part of the \$ 2 billion Tong Yang Moolsam group, according to which Mahindra will source high horse power (mostly 25-40 hp range) and sell them around the world under the M & M brand name. To start with, the premium range of tractors will be sold in the US. M & M's current tractor range is more utility-oriented and lacks the aesthetic appeal that Tong Yang's tractors have, a must for a strong presence in the US market.

- Q.5** (a) How will the foreign market expansion help M & M ?
(b) What are the advantages and disadvantages of global sourcing ? **07**

OR

- Q.5** (b) How does the strategic alliance with Tong Yang benefit M & M ? **07**
(b) What are the possible risks of the alliance? How can they be overcome? **07**
