

Seat No.: \_\_\_\_\_

Enrolment No. \_\_\_\_\_

**GUJARAT TECHNOLOGICAL UNIVERSITY**  
**MBA - SEMESTER- III • EXAMINATION – SUMMER 2021**

**Subject Code: 4539281**

**Date: 13/08/2021**

**Subject Name: INTERNATIONAL BUSINESS (IB)**

**Time: 02.30 pm to 05.30pm**

**Total Marks: 70**

**Instructions:**

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

- Q.1 (a)** Give definition of following terms: **14**
1. Export
  2. Mercantilism
  3. Multi Domestic Strategy
  4. Tariff
  5. Exchange Rate
  6. Balance of Payments
  7. Ethnocentric approach
- Q.2 (a)** Explain difference between domestic and international business with proper examples. **07**
- (b)** Define Globalization and discuss whether Globalization is good or bad with proper examples and justification. **07**
- OR**
- (b)** ABC LTD deals with the various Agro Commodities. Suppose you are appointed as a Manager for International Division of the company. You are required to do export for the first time. Discuss the stepwise process which you will follow for exporting. **07**
- Q.3 (a)** What are the basis instruments that Government uses to intervene in foreign trade? Explain with suitable examples. **07**
- (b)** Due to Covid 19, the International Business scenario is changed. With consideration to this explain the role of IMF in current scenario. **07**
- OR**
- Q.3 (a)** Which factors are considered by managers while analyzing the risk in country scanning process? How examinations of social and economic conditions help managers to predict political risk? **07**

- (b) Analyze the advantages and disadvantages of first mover and late mover in international market entry. Which one of these two would you recommend and why? 07
- Q.4 (a) Briefly discuss major foreign exchange markets. 07
- (b) What is a global supply chain? What are the key factors on global manufacturing strategy? 07

OR

- Q.4 (a) Explain horizontal differentiation in context of organization structure for international business. 07
- (b) Discuss the different staffing frameworks guiding the MNE's staffing policy. 07

Q.5 **McDonald's**

With operations in over 121 countries and over 30,000 restaurants around the globe, McDonald's Corporation is the largest fast food service and supplier in the world. To serve all of their customers and demonstrate the incredible size of the company, McDonald's has more than one and a half million employees and serves more than ninety-six percent of the world's population at least once a year. McDonald's operates in the fast food industry and its core product lines include hamburgers and French fries, but the chain also sells chicken, salads, and fish products among others<sup>16</sup>. Since the first restaurant operations in the early nineteen fifties, McDonald's has grown at an incredible pace through an internal philosophy of "expand at all costs." What this philosophy means is open as many stores as possible as fast as possible. At the peak of the company's growth, this rapid pace had a new McDonald's outlet opening every four hours every day of the year.

Due to this strategy, the foreign operations of McDonald's, at the global level, witnessed very fast growth since 1980, and especially during 1990s. There are a host of factors behind the rapid growth. However, it is McDonald's effort to adapt to the host country culture that is the most important factor. It is a well established fact that consumers in the host country would desire that a foreign firm entering their country should not undermine the local culture, tastes, and beliefs. If it does it, they will resist its entry. Perhaps this was the reason that the start of Macdonald's was a bit late because their architecture did not confirm to the local one.

Similarly, in India, where the majority of population is Hindu and the Hindu religion does not permit eating of beef, McDonald's had to change the main component of their hamburger from beef to mutton. After doing change of this, they were able to flourish in India. And compete with the local fast food chain.

Similarly, one of the reasons MacDonal'd's succeeded in Quebec, Canada, is that they have modified their menu to suit the local population.

Yet again, in Israel, where the local population prefers that food should be prepared according to JEWISH SALARY laws, McDonald's effort was to change the menu according to the requirement of the local food dish Jews dislike mixing of meat products with dairy products. As a result, McDonalds' did not go for other hamburgers; rather, they preferred to serve Fast Food, Cheeseburgers, and milkshake.

- (a) Explain reasons for adapting the product in India? 07
- (b) Can we say that India and Israel has diverse culture? If Yes, explain with proper justification. 07
- OR**
- (a) Is it true to say that McDonald's prefer to transplant its home-country culture in different host Countries? 07
- (b) Critically evaluate McDonald's strategy of expansion at Global Level. 07

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