

Seat No.: _____

Enrolment No. _____

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA – SEMESTER –III-EXAMINATION – SUMMER-2022

Subject Code: 4539281**Date: 13-07-2022****Subject Name: International Business****Time: 02:30 PM TO 05:30 PM****Total Marks: 70****Instructions:**

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

Q. No.	Question Text and Description	Marks
Q.1	Explain the following: (a) Letter of credit. (b) Monochronic. (c) Masculinity –femininity index. (d) Outright forward transactions. (e) Network Structure. (f) Economies of Scale (g) Value chain	14
Q.2	(a) Which are the modes of Operations in International Business? Which mode of entry will be more effective in post COVID - 19 situation? Justify your answer.	07
	(b) Which are the elements of the Economic Environment? Explain.	07
	OR	
	(b) Briefly discuss the evolution of international business over the past century.	07
Q.3	(a) Explain Product life cycle (PLC) theory in detail.	07
	(b) Write a note on: Country Comparison Tools.	07
	OR	
Q.3	(a) Do Principles & practices of organization culture vary with the requirements of the company's strategy? Explain.	07
	(b) What are the economic rationales for Government Intervention? Explain.	07
Q.4	(a) Explain key factors of manufacturing strategy.	07
	(b) "The internet has allowed marketers to benefit from reduced geographic and time constraints, and reach consumers in various new ways." Explain the effective use of digital platforms for international marketing.	07
	OR	
Q.4	(a) Which are the factors influencing HRM in International Business.	07
	(b) What is Gray market goods? Illustrate Gray Market Issues which company may face while doing business in international market.	07

Q.5

Gillette Targets Emerging Markets'

As it entered the twenty-first century, Gillette faced a difficult choice. Should it continue targeting emerging markets or not? Its strategy to move aggressively into markets in the developing world and the former Soviet bloc had been hailed as a success only a few years before. Recent poor earnings, however, had management considering whether this choice had been a wise one.

The Boston-based firm was founded in 1895 and is still best known for its original products, razors and razor blades. By the end of the twentieth century, Gillette had grown into a global corporation that marketed its products in 200 countries and employed 44,000 people worldwide. About 1.2 billion people use Gillette products every day. Its sales are about equally distributed among the United States (30 per cent), Western Europe (35 per cent), and the rest of the world (35 per cent).

As markets matured in developing countries, Gillette sought growth through product diversification, moving into lines such as home permanents, disposable lighters, ballpoint pens, and batteries. In the mid-1990s, Gillette targeted several key emerging markets for growth. Among them were Russia, China, India and Poland.

Russia was already a success story. Gillette had formed a Russian joint venture in St.Petersburg and within 3 years Russia had become Gillette's third-largest blade market.

Gillette's move into the Czech Republic had prospered as well and in 1995 Gillette bought Astra, a 10caI; privately-owned razor blade company. Astra gave Gillette expanded brand presence in the Czech market. Astra's relatively strong position in export markets ~n East Europe, Africa and Southeast Asia proved a boon to Gillette in those markets as well. Jus.t as in other markets in the developing world, 70 per cent of East European blade. consumers used the older, lower-tech double-edge blade. In more developed markets, consumers appreciated product innovation and the shaving market had moved to more high-tech systems such as Gillettes Sensor.)

Then disaster struck. A financial crisis that began in Thailand quickly spread across Asia. Many wary investors responded by pulling money out of other emerging markets as well as depressing economies across the globe. Bad economies meant slower sales for Gillette, especially in Asia, Russia and Latin America. In Russia, wholesalers could not afford to buy Gillette products. Consequently, these products disappeared from retail stores and Gillette's Russian sales plummeted 80 per cent in a single month.

Gillette found it could not meet its projected annual profit growth of 15-20 per cent. The price of Gillette shares tumbled 36 per cent in 6 months. To save money, Gillette planned to close 14 factories and layoff 10 per cent of its workforce.

Despite its recent bad experience in developing countries and in the former Soviet bloc, Gillette was still moving ahead with plant expansion plans in Russia and Argentina that would total \$64 million. Some even suggested that this was a good time to expand in the emerging markets by buying up smaller competitors that had been hurt even worse by the crises. Meanwhile, back in the developed world, another large global consumer products firm, Unilever, announced that it would be entering the razor market.

	(a)	Why do companies such as Gillette target emerging markets? Do you agree with this strategy?	07
	(b)	Why would local, privately-owned companies like Astra want to sell out to companies like Gillette? Why are such companies attractive acquisitions to multinational firms?	07
		OR	
Q.5	(a)	What are the dangers to Gillette of targeting emerging markets?	07
	(b)	What global strategy would you suggest for a company such as Gillette? Explain your choice.	07
