

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

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

**GUJARAT TECHNOLOGICAL UNIVERSITY**  
**MBA- SEMESTER - III-EXAMINATION- SUMMER-2023**

**Subject Code: 4539281**

**Date: 30/06/2023**

**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.
4. Use of simple calculators and non-programmable scientific calculators are permitted.

|            |  |           |
|------------|--|-----------|
| <b>Q.1</b> | <b>Definitions / short questions (Explain with examples)</b>                     | <b>14</b> |
|            | (a) Polycentric Approach   |           |
|            | (b) Collectivism   |           |
|            | (c) Fatalism   |           |
|            | (d) Corporate Governance   |           |
|            | (e) Cultural shock   |           |
|            | (f) Rule of Man  |           |
|            | (g) WTO  |           |
| <b>Q.2</b> | (a) Define Globalization? Assess how IB differs from domestic business?          | <b>07</b> |
|            | (b) Depict major concerns for MNEs while dealing with Cultural differences in IB | <b>07</b> |
|            | OR   |           |
|            | (b) Categorize various political risk involved in IB with suitable examples.     | <b>07</b> |
| <b>Q.3</b> | (a) What is BOP? Explain in detail different components of BOP briefly           | <b>07</b> |
|            | (b) Structure the Location-Decision Process in detail for a Global firm          | <b>07</b> |
|            | OR   |           |
| <b>Q.3</b> | (a) What is Countertrade? Which are the Common types of Countertrade?            | <b>07</b> |
|            | (b) What are the Potential obstacles in International pricing?                   | <b>07</b> |
| <b>Q.4</b> | (a) Exemplify Value Chain Analysis in context of IB.                             | <b>07</b> |
|            | (b) Write a short note on Laissez-Faire.   | <b>07</b> |
|            | OR   |           |
| <b>Q.4</b> | (a) What is employee Expatriation? Why it is fails in most cases?                | <b>07</b> |
|            | (b) Examine Business Implications of Exchange-Rate Changes in IB                 | <b>07</b> |

In 2018, Walmart brought in more than \$500 billion in sales globally. Not surprisingly, 3/4 of those sales came from the U.S. But, overseas particularly in Japan things are not going so well for the American retail giant. Reports have shown that Walmart may be looking to exit Japan nearly 17 years after its initial expansion into the Japanese market. This expansion involved purchasing a minority stake in **Seiyu** — a Japanese grocery store — in 2002, which then turned into a fully-owned subsidiary in 2008.

Like Walmart, Seiyu uses the “Everyday Low Prices” mantra to market to their consumers. In between then and now, not much has gone right for Walmart in Japan. **Aeon**, the top supermarket in Japan, owns 45% of the market share. Meanwhile, Walmart’s Seiyu sits at 12%. That may not sound terrible, but to put it into perspective, let’s compare it to another U.S. supermarket that has expanded into Japan with much more success — **Costco**. Costco only has 26 stores in Japan, but in 2017 they brought in just over \$3 billion in revenue. So, what went wrong exactly? Well, the low price strategy that both Walmart and Seiyu abide by is not nearly as effective in Japan as it is in the United States. While consumers in the U.S. appreciate the convenience of being able to find great deals at one central location, Japan consumers are not as concerned with this convenience, making it less of a differentiator in the Japanese market.

Japanese consumers typically aren’t used to shopping in bulk, so going to Costco offers them a totally new shopping experience. Meanwhile, Seiyu was no different than any other supermarket that Japanese consumers were already familiar with. Last, Walmart also failed to recognize that Japanese consumers enjoy fresh, locally sourced food — which is something Seiyu does not offer a lot of.

- (a) Comment on entry strategies of Walmart in Japan. 07  
(b) Reflect your views about how Walmart should revive their business in Japan? 07

**OR**

- (a) What went wrong with Walmart in Japan? 07  
(b) Depict your knowledge about competitive strategies of Walmart in Japan. 07

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