

GUJARAT TECHNOLOGICAL UNIVERSITY**MBA (International Business) – SEMESTER 1 – EXAMINATION – SUMMER 2019****Subject Code: 1519305****Date: 14/05/2019****Subject Name: International Business****Time: 02:30 AM 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.1** Explain the terms **14**
- a) Purchasing Power Parity
 - b) Balance Score Card
 - c) Dumping
 - d) Transnational
 - e) Freight Forwarder
 - f) Turnkey Operations
 - g) Grey Market
- Q.2** (a) Explain various types of political risks with appropriate examples. **07**
- (b) What factors have contributed to the increased growth in globalization in recent decades? **07**
- OR**
- (b) What are various modes of operation in International Business? **07**
- Q.3** (a) Discuss the theory of Absolute Advantage. **07**
- (b) Explain the Product Life Cycle Theory with appropriate examples. **07**
- OR**
- Q.3** (a) Explain the Factor Mobility Theory. **07**
- (b) Explain the four key factors in manufacturing strategy. **07**
- Q.4** (a) Explain the components of comprehensive international supply chain strategy. **07**
- (b) Explain various ethical dilemmas while conducting international trade. **07**
- OR**
- Q.4** (a) Why international trade differs from domestic business. **07**
- (b) Discuss the purpose and role of WTO. **07**

Q.5 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. 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.

- a. What are the advantages and disadvantages of global sourcing? **07**
 - b. How will the foreign market expansion help M & M? **07**
- OR**
- a. 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/minimized? **07**
