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08MBA27

Second Semester MBA Degree Examination, December 2010
International Business Management

Time: 3 hrs.

Max. Marks:100

Note: 1. Answer any FOUR full questions from Q.No.1 to 7.
2. Q.No. 8 is compulsory.

- 1 a. What do you mean by globalization of markets? (03 Marks)
b. Discuss various drivers of globalization. (07 Marks)
c. Explain various modes and entry strategies of international business. (10 Marks)
- 2 a. What are values and norms? Explain. (03 Marks)
b. Discuss the different economic systems. Explain their implications on international business. (07 Marks)
c. Explain the various determinants of culture. (10 Marks)
- 3 a. Explain the concept of mercantilism. (03 Marks)
b. Discuss the theory of absolute advantages, with an illustration. (07 Marks)
c. Explain the Porter's diamond model. (10 Marks)
- 4 a. What is a free trade? (03 Marks)
b. Explain the different instruments of trade policy. (07 Marks)
c. Explain the various arguments for government intervention in international trade. (10 Marks)
- 5 a. What do you mean by regional economic integration? (03 Marks)
b. Discuss the different levels of economic integration. (07 Marks)
c. Explain the political structure of the European union. (10 Marks)
- 6 a. Explain the meaning of the term "Multinational corporation". (03 Marks)
b. Discuss the arguments for centralization and decentralization of a multinational corporation. (07 Marks)
c. Explain the formal integration mechanisms used for achieving coordination between headquarters and subsidiary units. (10 Marks)
- 7 a. What do you mean by foreign exchange market? (03 Marks)
b. Explain the terms spot exchange rate, forward exchange rate and currency swap. (07 Marks)
c. What is WTO? Explain the role of WTO. (10 Marks)

Important Note : 1. On completing your answers, compulsorily draw diagonal cross lines on the remaining blank pages.
2. Any revealing of identification, appeal to evaluator and /or equations written eg, 42+8 = 50, will be treated as malpractice.

8 CASE STUDY :

MTV has emerged as a significant global medium, with more than 375 million households in 164 countries subscribing to its services. The reason for its success is simple – MTV offers consistent, high quality programming that reflects the tastes and life styles of young people. While admired to its global reach, MTV has drawn the ire of critics, who accuse the teen-savvy network of being a cultural imperialist, trampling regional and local values and preferences.

MTV has shrewdly deflected such criticism and downplays its role as an exporter of American culture. To cater to the 80% of MTV viewers who reside outside the United States, the company has a policy of 70% local content. Early in MTV's international expansion in the 1980, using American imagery was trendy, but 1990's brought about a need to give the brand a local imagery.

Digital compression allows the number of services offered on satellite feed to be multiplied. MTV has used this capacity to complement pan regional programming and play lists, customizing them to local tastes in key areas. For example, MTV Asia launched MTV India and has five hours of India specific programming during the 24 hours satellite feed to the sub-continent.

For various reasons, MTV is now embarking on a strategy to develop shows for more than one overseas market at a time. MTV has a big infrastructure of 76 channels in 17 languages and feels that it is time to leverage resources and develop programming that can not only cross borders but even have global appeal.

Under the new plan, local managers will not give up the power to make local programming decisions. The goal is to encourage cooperation among country units to develop new ideas that can be used in multiple countries.

MTV's goal is to derive 40% of revenue from overseas markets in the medium-to-long term future. The trick will be to create programming that both individual and multiple markets can relate to. Expensive new cross-border shows can easily fail because of cultural differences and various traditions.

Questions:

- a. Expensive new cross-border shows can easily fail because of cultural differences and various traditions. Do you agree with the statement? Explain. (07 Marks)
- b. Explain the strategies adopted by MTV to reduce cultural risk. (07 Marks)
- c. Explain why MTV has given local managers power to make local programming decisions. (06 Marks)

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