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**Second Semester MBA Degree Examination, June 2012**  
International Business Management

Time: 3 hrs.

Max. Marks: 100

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

- 1
  - a. What do you mean by globalization of productions? (03 Marks)
  - b. Explain the implications of cultural differences on international business. (07 Marks)
  - c. Explain national competitive advantage as explained by Michael Porter. (10 Marks)
- 2
  - a. Define 'Cultural Universal'. Give an example. (03 Marks)
  - b. Mercantilism is an international trade theory, that has no place in the modern world. Discuss. (07 Marks)
  - c. Explain any four modes and entry strategies of international business. (10 Marks)
- 3
  - a. What is meant by local content requirement? (03 Marks)
  - b. What are the advantages and disadvantages of globalization? (07 Marks)
  - c. NAFTA has produced significant net benefits for its member country economics. Discuss. (10 Marks)
- 4
  - a. State the important reasons for economic integration. (03 Marks)
  - b. Discuss the objectives and principles of GATT. (07 Marks)
  - c. Explain how MNC is different from international global and transnational corporation. (10 Marks)
- 5
  - a. What are the goals of MNC? (03 Marks)
  - b. Discuss the aims and objectives of ASEAN. (07 Marks)
  - c. Explain the nature and function of foreign exchange market. (10 Marks)
- 6
  - a. What is meant by spot exchange rate and forward exchange rate? (03 Marks)
  - b. Discuss the various levels of economic integration. (07 Marks)
  - c. Discuss the role of ethics in international business. (10 Marks)
- 7
  - a. Briefly explain the drivers of globalization. (03 Marks)
  - b. Discuss the objectives and functions of IMF. (07 Marks)
  - c. Discuss the genesis, principles and functions of WTO. (10 Marks)
- 8 **CASE STUDY :**

Richard was a 30 year old American, sent by his Chicago – based company to set up a buying office in India. The new office's main mission was to source large quantities of consumer goods in India, cotton piece goods, garments, accessories and shoes as well as industrial products such as tent fabrics and cast iron components.

India's ministry of Foreign Trade (MFT) had invited Richard's company to open this buying office because they knew it would promote export, bring – in badly needed foreign exchange and provide manufacturing know how to Indian factories.

Richard was, infact, the first international sourcing office to be located any where in South Asia. The MFT wanted it to succeed so that other western and Japanese companies could be persuaded to establish similar procurement offices.

The Expatriate manager decided to set up the office in the capital, New Delhi, because he knew he would have to frequently meet senior government officials. Since the Indian government closely regulated all trade and industry, Richard often found it necessary to help his suppliers obtain import licenses for the semi – manufacturers and components required to produce the finished goods his company had ordered.

Richard found these government meetings frustrating. Even though he always phoned to make firm appointments, the bureaucrats usually kept him waiting for half an hour or more. Not only that, his meetings would be continuously interrupted by phone calls and unannounced visitors as well as by clerks bringing in stacks of letters and documents to be signed. Because of all the waiting and the constant interruptions, it regularly took him half a day or more to accomplish something that could have been done back home in 20 minutes.

Three months into this assignment, Richard began to think about requesting a transfer to a more congenial part of the world, ‘somewhere, where things work’. He just could not understand why the Indian officials were being so rude. Why did they keep him waiting? Why didn’t the bureaucrats hold their incoming calls and sign those papers after the meeting, so as to avoid the constant interruptions?

After all, the Government of India had actually invited his company to open this buying office. So did’nt he have the right to expect reasonably courteous treatment form the officials in the various ministries and agencies he had to deal with?

Questions :

- a. Why is Richard not able to jell with local conditions? **(10 Marks)**
- b. If you were Richard, what would you do? **(10 Marks)**

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