

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA – SEMESTER - 3 - EXAMINATION – SUMMER 2021

Subject Code: 3539203**Date: 17/08/2021****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.1 Define following terms:**14**

- (a) Inflation
- (b) Globalization
- (c) Cross National Corporation
- (d) Revocable letter of credit
- (e) NAFTA
- (f) Individualism
- (g) WTO

Q.2 (a) What is political risk? Discuss various types of political risks and its consequences.**7****(b) Explain economic and non economic government intervention.****7****OR****(b) Differentiate between Domestic Business and International Business.****7****Q.3 (a) Why company engage in IB and also describe various modes of operation in IB.****7****(b) In recent time, the pace of Globalization has accelerated than before. Discuss in detail the factors that contributed to this phenomenon.****7****OR****Q.3 (a) Explain various foreign exchange market in detail and also explain the features of economy.****7****(b) Explain EPRG framework in details.****7****Q.4 (a) How E-Commerce affects international business? Discuss in detail.****7****(b) Give an overview of the documents required for exporting.****7****OR****Q.4 (a) WTO plays an important positive role for the international trades and it's always beneficial for the countries to trade trans-boundary – Elucidate the statement with examples.****7****(b) Explain the relationship between Global manufacturing and Supply Chain Management.****7****Q.5 Case Study****14**

The globalization of the Indian economy has led to the establishment of a number of large and medium firms as licensing was not necessary. This resulted in the production of a number of goods, more than the demand in some cases. Consequently, some small scale units which were receiving Govt. protection became sick. The earlier sick units became mortal. Some examples in this category were textile units in Ahmedabad, electronic units in Delhi, consumer goods firms in Mumbai, AP Lightings, Anantapur, steel melting units in Hindupur, paper mills in Coastal Andhra and leather units in Chennai. Globalization resulted in the entry of a number of MNC's in India through

exports, joint ventures etc. in the addition, U.S.A and Malaysia dumped cooking oil, steel, electronic products etc. European countries exported milk and other agro-based products. These factors created a slump in the market due to excess supply. Further, the decline in employment opportunities affected the purchasing power of middle-class consumers adversely.

This created like China, S.Korea produced goods at a cheaper rate than India. This created havoc in the market. The policy of globalization was criticized by some. Other quarters of the industry felt that Indian business and industry should learn management techniques and focus on high productivity and low cost.

In the light of above answer the following questions:

- 1) Is globalization desirable for the Indian economy? Why? How globalization will benefit Indian Consumers?
- 2) Identify the key areas wherein the Indian manufactures need to improve to enable them to compete internationally.

OR

Q.5 Case Study

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 during 1998-1999 to 2000-2001. 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.

Questions

- a) What are the advantages and disadvantages of global sourcing ? How will the foreign market expansion help M & M ? 7
- b) How does the strategic alliance with Tong Yang benefit M & M ? What are the possible risks of the alliance ? How can they be overcome/ minimized 7
