

Enrollment No./Seat No.:

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA - SEMESTER - I EXAMINATION - SUMMER 2025

Subject Code: N2519305

Date: 05-06-2025

Subject Name: Global Business Strategies

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.**

	Marks
Q.1	14
(a) Anti-dumping Laws	
(b) ACP	
(c) Balance of Payments	
(d) Core competency	
(e) Value Chain Analysis	
(f) SBU	
(g) Corporate Level strategy	
Q.2 (a) Elucidate the concept of International Business and critically examine the strategic imperatives that compel firms to expand across national boundaries.	07
(b) Trace the timeline of international trade theories from mercantilism to competitive advantage theory. Explain the absolute and comparative advantage theories with reference to real-world examples such as the trade between China and the U.S..	07
OR	
(b) Examine the ethical complexities encountered in international business and assess their implications on cross-border corporate conduct and governance.	07
Q.3 (a) Define Globalisation and discuss its impact on stakeholders of international business, with specific reference to Amazon's entry into India and the challenges it faced in adapting to the local market.	07
(b) Discuss the relationship between globalisation and economic activity, and explain the various levels of economic integration with relevant examples.	07
OR	
(a) A leading Indian FMCG company is planning to expand into Southeast Asia. Explain the steps involved in global strategic planning, and discuss how corporate governance and sustainability can influence long-term success in foreign markets.	07

- (b) Tata Motors acquired Jaguar Land Rover (JLR) as part of its global expansion. Analyze the motivations and strategic effects of such cross-border acquisitions for companies from emerging economies. **07**
- Q.4 (a)** Examine the rationale behind government intervention in international trade and assess its implications on free market dynamics and global competitiveness. **07**
- (b) Suppose a mid-sized European tech firm wants to enter the Indian market. Discuss where, when, and how a company should plan its foreign market entry, highlighting key considerations in selecting an appropriate strategy. **07**

OR

- (a) Discuss the importance of international human resources management in global corporations. How does Google manage cross-cultural teams and talent acquisition in its global offices, and what are the challenges faced in diverse work environments? **07**
- (b) Starbucks entered the Indian market through a joint venture with Tata Group. Critically examine the role of strategic alliances and acquisitions as foreign market entry modes, citing suitable real-life examples. **07**

Q.5**Case Study: Honda's Strategic Evolution in China's Automobile Market**

China's accession to the World Trade Organization (WTO) in 2001 marked a transformative shift in its economic landscape, especially in the automobile sector. Tariffs on vehicle imports were gradually lowered, and trade barriers such as import licensing were eliminated. These reforms attracted foreign automakers who began establishing joint ventures with Chinese firms to enter and expand in the rapidly growing market.

Among Japanese automakers, Honda Motor Co., Ltd. moved swiftly. In 2004, it established Honda Motor (China) Investment Co., Ltd. as a wholly-owned subsidiary to oversee its expanding Chinese operations. This unit was responsible for strategic planning, government relations, intellectual property, and regional oversight. Concurrently, Honda also operated through two major joint ventures: GAC Honda and Dongfeng Honda.

As the competition intensified with the entry of global automakers and the emergence of local brands, the Chinese government revised its auto policy to emphasize not just production but innovation, R&D, and the creation of original brands. In response, Honda established Guangzhou Honda Automobile R&D Co. in 2007 and further strengthened its local R&D infrastructure by launching Honda Motor China Technology Co., Ltd. in 2013.

Despite strong initial performance, Honda's market share among Japanese automakers in China fell from 36% in 2001 to just 16% by 2016, as rivals introduced more localized, innovative models. Recognizing the need for a more agile strategy, Honda implemented the "sibling model strategy". Instead of developing entirely separate models, both joint ventures would design cars based on a shared platform but differentiate them through unique interior and exterior designs. This allowed for quicker product development, cost efficiencies, and broader product offerings.

The XR-V (Dongfeng Honda) and the Vezel (GAC Honda), introduced in 2014, were the first sibling models, followed by the Greiz in 2015. These vehicles reflected Chinese consumer preferences more effectively and were developed through enhanced local R&D.

The strategy proved successful. By 2017, the number of models offered rose from 9 in 2010 to 16, and combined sales of GAC Honda and Dongfeng Honda reached 1.25 million units in 2016—an 80% increase over 2013. Honda regained the top spot among Japanese automakers in China and ranked fourth overall in market share.

Seiji Kuraishi, then Chief Operating Officer for Regional Operations (China), emphasized the importance of local leadership and understanding customer needs. He advocated for Chinese teams to lead product development while retaining Honda's core values.

(a) What strategic advantages did China's WTO accession offer to foreign automobile manufacturers like Honda? **07**

(b) Why did Honda's market share in China decline despite its early mover advantage? **07**

OR

(a) Explain the "sibling model strategy" adopted by Honda in China. How did it benefit the company? **07**

(b) How did local R&D contribute to Honda's revival in the Chinese market? **07**
