

**GUJARAT TECHNOLOGICAL UNIVERSITY**  
**MBA – SEMESTER –III-EXAMINATION – WINTER-2022**

**Subject Code: 1539414****Date:07/02/2023****Subject Name: Global Entrepreneurship****Time:10:30 AM to 12:30 PM****Total Marks: 50****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.

		<b>Marks</b>
<b>Q.1</b>	Briefly explain the following concepts - (a) Competitive Advantage (b) Global Entrepreneur (c) Global vision (d) Outsourcing	<b>08</b>
<b>Q.2</b>	(a) What are the challenges to manage a global business?	<b>07</b>
	(b) “The companies that will see growth in the coming decades are mastering how to do business across cultures.” Critically evaluate the given statement.	<b>07</b>
<b>OR</b>		
	(b) Why is cross-cultural competence critical to your professional future and the viability of your company?	<b>07</b>
<b>Q.3</b>	(a) Define international drivers of entrepreneurship with the help of suitable examples.	<b>07</b>
	(b) Develop a plan of action for your product in terms of 4Ps to enter in the international market.	<b>07</b>
<b>OR</b>		
<b>Q.3</b>	(a) Analyze the methodology used in developing Global Entrepreneurship and Development Index.	<b>07</b>
	(b) Identify any innovative idea for doing international business by exploring financial aspect and develop business model.	<b>07</b>
<b>Q.4</b>	<b>CASE STUDY: Nokia - Made in India</b>  In April 2005, Nokia India, a subsidiary of Finland-based Nokia, announced that it was setting up a manufacturing facility for mobile devices in Chennai, the state capital of Tamil Nadu in southern India. Nokia planned to invest US\$ 100-150 million in the facility, where the production was expected to begin in the first half of 2006.	

Pekka Ala-Pietilä, President and Head of Customer & Market Operations, Nokia Corporation said, "Establishing a new factory in India is an important step in the continuous development of our global manufacturing network." India was ideal for Nokia's new production facility. Each mobile handset has more than 400 parts and the average production capacity of each manufacturing unit of Nokia is around 20 million units. This level of manufacturing involves a total of 8 billion components per annum, requiring strong logistical support.

Nokia's manufacturing facility needed to be located close to a major international airport or sea port for quick supply of components. India met all these requirements, and also enjoyed cheap manpower costs and proximity to the rapidly growing Asia Pacific markets.

Besides, Nokia was the market leader in mobile communication devices in India. The company has been carrying out sales & marketing, customer care and research & development activities in the country. Nokia considers India to be one of its most important markets. One of its strategies - like developing a phone specifically for India - is respected. But, more importantly, Nokia's win is also an endorsement of the importance of the ubiquitous cell phone as a durable in today's world. After all, unlike its competitors, most of which offer a slew of durables, Nokia is mostly a cell phone company.

In 2005, Nokia was recognized as the 'Brand of the Year' by the Confederation of Indian Industry, India's apex industry association. The company was chosen for this award because of its high brand recall, well established distribution channels and being 'most preferred' by the consumers.

Nokia entered the Indian market in 1994. The first ever GSM call in India was made on a Nokia 2110 mobile phone on its own network in 1995. When Nokia entered India, the telecom policies were not conducive to the growth of the mobile phone industry.

The tariffs levied on importing mobile phones were as high as 27%, usage charges were at Rs.16 per minute and, at these high rates, consumers did not take to mobile phones. Nokia also had to face tough competition from other powerful global players like Motorola, Sony, Siemens and Ericsson.

### **The Problems**

In spite of its strong marketing, Nokia's problems at the global level had an impact on the company's Indian venture. Globally, Nokia had been experiencing tough times with revenues falling to 29 billion euros in 2004 from 32 billion euros in 2001. The company's operating profits decreased from 5 billion euros in 2003 to 4.3 billion euros in 2004.

Nokia was quick to learn from its mistakes and adopted strategies to regain its lost market share. Globally, during the first quarter of 2005, the company's sales reached 7.4 billion euros,

with the company selling 54 million phones during the period. In India, Nokia continued its leadership in GSM with a market share of 74% in March 2005. Nokia also surpassed Samsung in color mobiles in the GSM segment, recording a share of 55% in the same month. Nokia reorganized itself at the global level in 2004. At this point, a multimedia division was formed.

The division's Indian operations concentrated on promoting the concept of high-end telephones in smaller towns while going in for higher volumes in larger cities. The marketing division of the company concentrated on making distributors in small towns sell high-end products. Though, the distributors were skeptical to start with, by the end of 2004, the process was streamlined and the results started to show.

- (a) Examine the basic requirements of setting up manufacturing unit of Nokia in India. **07**
- (b) How Nokia became the most preferred brand of cell phone for Indian consumers? **07**

**OR**

- (a) Identify the challenges faced by Nokia at global level. **07**
- (b) What were the strategies adopted by Nokia to capture market share in India? **07**

