

Seat No.: _____

En no. _____

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA – SEMESTER III – EXAMINATION – WINTER 2019**Subject code: 4539281****Date: 02 -12 -2019****Subject Name: International Business****Time: 10:30 am to 01:30 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	(b) Definition/ Short Questions (Explain each with an Example)	14
	1 Expatriates	
	2 Laissez Faire	
	3 Hard & Soft currency	
	4 Rule of Thumb	
	5 Economic nationalism	
	6 BRICS	
	7 Expropriation	
Q.2	(a) Differentiate between domestic business and international Business.	07
Q.2	(b) What is political Risk? Which are the different political risks associated with international business?	07
	OR	
Q.2	(b) Explain various tariffs and non-tariff instruments available for trade control.	07
Q.3	(a) Which are the different economic systems prevailed in current world? Why most government wants to transit to market economy?	07
Q.3	(b) Define foreign exchange. And explain major factors determining the foreign exchange rate in IB.	07
	OR	
Q.3	(a) What are the different types of integration – responsiveness (IR) Grid (II) quadrant? Explain various strategies derived from the IR grid.	07
Q.3	(b) Explain modern trade theories of International trade in detail.	07
Q.4	(a) Write a short note on corporate governance and corporate social responsibility in international business context.	07
Q.4	(b) The difference between total market potential and companies' sales is due to gaps. Explain various types of Gapes with suitable example.	07
	OR	
Q.4	(a) Write a short on EPRG framework in international Business context.	07

Q.4 (b) Explain nation, people and language as both stabilizer and diffuser of culture in international business context. **07**

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.

Q.5 (a) How will the foreign market expansion help M & M ?
(b) What are the advantages and disadvantages of global sourcing ? **07**

OR

Q.5 (b) How does the strategic alliance with Tong Yang benefit M & M ? **07**
(b) What are the possible risks of the alliance? How can they be overcome? **07**
