

GUJARAT TECHNOLOGICAL UNIVERSITY**MBA - SEMESTER– III EXAMINATION – WINTER 2019****Subject Code: 3539203****Date: 30-11-2019****Subject Name: International Business****Time: 10:30 AM TO 1.30 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** Definitions / terms / explanations / short questions **14**
- (a) INCO Terms
 - (b) Polycentric Approach
 - (c) Franchising.
 - (d) Revocable LC.
 - (e) Common Law System.
 - (f) Name any four regional trading groups of the world.
 - (g) Foreign Exchange Market.
- Q.2** (a) What makes international business difficult? Explain. **07**
- (b) “International Business involves deep understanding of the cultural environment.” Justify the statement by discussing various factors of culture and how do they affect business. **07**
- OR**
- (b) Explain cross national cooperation at different levels. Also provide examples from real life. **07**
- Q.3** (a) Discuss four types of International strategies based on pressures from Integration & Local Responsiveness (IR) Grid. Also show various industry sectors which falls under this IR Grid. **07**
- (b) Write short note on World Trade Organization (WTO) **07**
- OR**
- Q.3** (a) Explain the four key factors in manufacturing strategy in global supply chain. **07**
- (b) Explain different types of Non-Tariff Barriers. **07**
- Q.4** (a) What is Export Promotion Councils (EPC)? What role does it play in Export – Import in India? **07**
- (b) What is e-commerce? Discuss its influence on international trade considering the opportunities and problems of e-commerce. **07**
- OR**
- Q.4** (a) Currencies float freely in response to supply and demand conditions free from government intervention. Explain the above statement with suitable diagrams considering factors like inflation, interest rate, foreign direct investments (FDI), balance of trade, & per capita income. **07**
- (b) Explain which factors should be kept in mind while designing an export strategy. **07**

Alibaba.com Limited is the global leader in B2B EC and the flagship company of Alibaba Group. Founded in 1999, Alibaba.com is a global trade marketplace for importers and exporters. As of 2018, the company has 576 million active users, larger than the entire population of the United States. Alibaba recorded \$25.4 billion worth of orders on November 11, 2017, the Chinese equivalent of Black Friday called "Singles Day". This year's Singles Day falls on Sunday, November 11, 2018, and Alibaba is expected to sell \$35 billion or more in goods, despite a slowing Chinese economy and the country's ongoing trade war with the United States.

In 2014, Alibaba launched the US shopping website 11Main.com. 11Main hosts thousands of merchants selling products in a variety of categories. The site charges merchants a percentage of sales and goes up against eBay, Amazon, and Etsy (ETSY) on their own territory.

Unlike Amazon, Alibaba Group holds no inventory and owns no warehouses. Rather, Alibaba has created software platforms that facilitate the exchange of goods and services. While Alibaba's revenues are less than Amazon's, it has higher operating margins and profit margins. The reason for this is largely that Amazon has to manage the expensive and complex logistics of developing and maintaining a network of warehouses to ship products directly to shoppers. In short, software is easier to scale than warehouses.

Importers across the world can request bids from Chinese manufacturers for a mind boggling array of good. The product categories are ever expanding with more than 1000 product categories. Buyers around the world use Alibaba to find potential suppliers that often have the lowest costs in the world, thereby eliminating the need to hire a representative in China to buy directly from the manufacturers on their behalf.

Acting as an online trade fair, Alibaba enables smaller companies with import and export ambition to reach global market. Most of the Alibaba's users are SMEs in developing countries around the world. Alibaba is looking to create an integrated solution for the future of commerce which includes marketplaces, logistics, cloud computing and payments, making it easy for merchants to do business anywhere.

The company is looking at the acquisition route in India, where it has stakes in several e-commerce and payment companies. Penetration into Europe and the U.S. can be trickier compared to other Asian countries, but Alibaba is gradually trying to establish itself in these regions through acquisitions to understand the market better. However, issues such as the large number of counterfeit merchandise on its platform continue to plague Alibaba's reputation in these regions.

At Alibaba, maintaining organizational flexibility is an area of intense focus. The company evaluates potential hires not only on their technical skill but also on a demonstrated ability to thrive under conditions of rapid change. In addition to enhancing the skills of top talent, the program showcased the leadership's commitment to flexibility. A portion of the senior leadership is rotated every year. An Alibaba team set out to create a better alternative by expanding the functionality of the company's employee portal. As an initial step, the team built functionality that allowed employees to nominate themselves for promotions. This gave them more control over their own career trajectories.

- (a) What is the approach of international business Alibaba is following? How does it help China's and other SMEs? **07**
 - (b) Explain the efforts taken by Alibaba to improve its Value Chain. **07**
- OR**
- (a) Discuss The Global Strategies of Alibaba. Also Discuss the possible problems faced by Alibaba as an e-commerce company. **07**
 - (b) What are the initiatives taken by Alibaba in HR Front? **07**

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