Seat No.: ________ Enrolment No.

GUJARAT TECHNOLOGICAL UNIVERSITY

MBA(TM) – SEMESTER – 10 • EXAMINATION – SUMMER - 2018

Subject Code:4210104 **Date: 03/05/2018**

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	**(a)**	Define Globalization. Is Globalization bad or Good? Justify your statement.	**07**
	(b)	What are options available to go international? Which mode you will use and why?	**07**
Q.2	**(a)**	'Political systems of a country shape its economic and legal system'. Explain different types of legal systems that prevail in the world.	**07**
	(b)	Explain different types of tariff and non-tariff Trade barriers found in international markets.	**07**
		OR	
	(b)	Write down the objectives of WTO. Differentiate WTO with GATT.	**07**
Q.3	**(a)**	Suppose you are made a general manager of international division of the company, you are required to do export for the first time. Write stepwise process which you will follow for exporting.	**07**
	(b)	What is NAFTA? What are its objectives and Major Contributions?	**07**
		OR	
Q.3	**(a)**	Explain the various strategies used in International Business with its advantages and disadvantages.	**07**
	(b)	Describe and differentiate within types of Economic systems.	**07**
Q.4	**(a)**	Explain the characteristics of foreign exchange market. Who are the major Participants in Foreign Exchange Market?	**07**
	(b)	Why the US dollar is the most widely traded currency	**07**
		OR	
Q.4	**(a)**	Explain the major instruments used in foreign Exchange market.	**07**
	(b)	What determines the foreign exchange rates in economy?	**07**
Q.5	**(a)**	Today is the scenario wherein most of businessman in India are importing goods from China and selling in India. You are assigned a duty to promote 'Make in India' mission which type of marketing orientation can be used for making this mission true? Why?	**07**
	(b)	Define Export. Write down advantages of Export.	**07**
		OR	
Q.5	**(a)**	**Case Study: Strategy Ahead for Indian Manufacturers**	**14**

Rajiv Gupta, proprietor of Delhi-based Roxy Gifts and Novelties, is going on vacation for a few days. He says he needs a break from the bad business run he's had lately. Gupta makes gift items such as wall clocks, pen stands, photo frames, diaries, calendars and wrist watches - and sales have been slow the past few years because of a flood of cheap Chinese imports in the market. But once he's back, the Delhi businessman is hoping to change his fortunes: he is thinking of sourcing from China and trading himself. "My friends tell me Chinese goods can easily fetch me 20 to 30 per cent margins, instead of about seven that I make with my products," he says.

Gupta is not alone. After dealing a blow to small-scale industries such as toys and crackers, Chinese imports have now hit hundreds of small manufacturers making a range of products from diesel engines to ceramics and bicycle parts. Many have either shut shop altogether or are turning into traders themselves. To add to their woes, many small manufacturers say they are also grappling with rising production costs, high taxes, duty-free imports and lack of scale in manufacturing. "A lot of people, like me, are thinking of becoming traders," says Gupta.

We were working on very low margins and finally could not continue any more. There is no support from the government: Manubhai Patel, Owner, Anil Manufacturers, has closed his diesel engine business The numbers are telling. According to government figures, Chinese imports leapt from $32.45 billion (Rs 146,005 crore) in 2008/09 to $52.25 billion (Rs 3, 13, 500 crore) in 2012/13. A 2009 report by industry body FICCI based on a survey of over 100 small and medium companies listed 22 product categories imported from China which were 10 to 70 per cent cheaper. Industry organizations also complain about government apathy, saying their Chinese counterparts have an edge because of cheaper land, regular electricity, cheap finance and good roads. "A lot of factors add up to give them an efficiency gain of 20 to 40 per cent," says Anil Bhardwaj, Secretary General, Federation of Indian Micro and Small & Medium Enterprises (FISME). "In recent years, imports from China have changed from low-value, low-cost products like toys and crackers to high-value items like electronics and machinery. The import portfolio has also expanded across product categories like gift sets, glasses, bathroom fittings, builder hardware, furniture and ceramics."

1. **Why Indian small manufacturers are not able to sustain their manufacturing business?**
2. **What can be done to solve this problem of small manufacturers?**

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