PVP 12

Code: **BA4T1**

II MBA - II Semester - Regular Examinations JUNE 2015

INTERNATIONAL BUSINESS

Duration: 3 hours Max. Marks: 70 M

SECTION-A

1. Write short notes on any FIVE of the following: 5 x 2 = 10 M

   a) Balance of payment

   b) NAFTA

   c) Comparative advantage

   d) European union

   e) Free trade

   f) Transfer pricing

   g) World bank

   h) Competitive advantage

SECTION – B

Answer the following: **5 x 10 = 50 M**

2. a) Explain in brief the evolution of 'International Business' considering the past couple of decades as the time frame of reference. List some of the major challenges to 'International business'.

OR

b) What are the various theories of 'International trade '? What is its implication in International business?

3. a) What is the importance of regulation in International trade? Briefly explain the role of WTO in International business.

OR

b) Why are International economic Institutions required in International business? Briefly explain the role of IMF in promoting International trade and business.

4. a) Compare and contrast the factors that influences the business of a 'Multi National Company' in home country and host country.

OR

b) Explain the role of Multinational Corporation in promoting international business. Give suitable examples to justify your answer.

5. a) Explain the types and theories of capital flow in the International market.

OR

b) What is FDI? How is it different from FII? Illustrate with suitable example.

6. a) What is 'counter trading' in International trading? Briefly explain the various ways of counter trading.

OR

b) Explain with suitable examples, how the growing concern for ecology have influenced the International business and trade.

SECTION – C

7. Case Study **1 x 10 = 10 M**

To give a short introduction to the circumstances affecting this case of Pepsi & Coca Cola it has to be said that in general it is not just simple for MNEs to invest and enter foreign markets as regulations and restrictions differ from country to country and hence influence international business negotiations to a great extent. Therefore MNEs investigating in foreign markets have to either adopt to those condition given by the host country government, which of course to a certain extend has to be negotiated as no one of those parties want to loose their maximum independence- or the MNE decides not to take further steps towards the foreign operation and leaves the field by assumingly – in turn – missing out a great opportunity, but this again depends on a complexity of economic and cultural reasons influencing international trade.

In this case study PepsiCo – for the second time – intends to enter the Indian market, though already having experienced major problems which consequently led to their first departure (for non profitability). As well Coca Cola departured India after harsh disagreements with the government.

Why after all did Pepsi enter again, facing a country with such strongly adverse feelings towards foreign companies – which is rooted in Indians history of colonialist times when the British, French and Portuguese were extracting the country's recourses ,'its wealth' without returning noticeable benefits to its economy.

i) PepsiCo and Coca-cola faced several challenges in the Indian market and had to leave. However, both of them re-entered and turned many unfavourable factors favourable for themself. What could have been the major challenges before both the companies while re-entering the Indian market?

ii) Briefly analyse the case by considering the social-political-economical framework of India.