

Code: BA4T1

**II MBA - II Semester – Regular/Supplementary Examinations  
April - 2018**

**INTERNATIONAL BUSINESS**

Duration: 3 hours

Max. Marks: 70 M

**SECTION-A**

**1. Answer any FIVE of the following: 5 x 2 = 10 M**

- a) Kennedy round of global trade negotiations
- b) UNCTAD Vs GATT
- c) Porter's diamond theory of national advantage
- d) Licensing Vs Franchising
- e) Third Country Expatriates
- f) International Technology issues
- g) Theory of Internalization
- h) Concept of Globalization in retailing

**SECTION – B**

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

2. a) Discuss the scope of international business & difficulties under International business.

**OR**

b) What is meant by international business environment? Discuss briefly the importance of understanding the international business environment.

3. a) Explain the origin, objectives and function of the International Bank for Reconstruction & Development (IBRD).

OR

b) What are the objectives of the International Development Association? To what extent it has been successful in helping the developing economies?

4. a) Define MNCs and explain the types of MNCs. List out the MNCs critics and defenders

OR

b) Centralization may decrease not only costs but also earnings of an MNC. Comment.

5. a) Discuss the role of foreign investment. How will you determine whether the portfolio inflows are hot or cold?

OR

b) Explain the role of exchange rate policy, monetary policy and fiscal policy in foreign investment.

6. a) Discuss the impact of growing concern on ecology on International business.

OR

b) What Critical issues of ecology that the firms need to consider under international business?

## SECTION – C

### 7. Case Study

1 x 10 = 10 M

#### 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 Y ang, a part of the \$ 2 billion Tong Y ang 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 Y ang's tractors have, a must for a strong presence in the US market.

Questions:

- 1) What are the advantages and disadvantages of global sourcing?
- 2) How will the foreign market expansion help M & M ?
- 3) How does the strategic alliance with Tong Yang benefit M & M ?
- 4) What are the possible risks of the alliance? How can they be overcome/minimized ?