

Seat No.: \_\_\_\_\_

Enrolment No. \_\_\_\_\_

**GUJARAT TECHNOLOGICAL UNIVERSITY**  
**MBA – SEMESTER 3 – EXAMINATION – SUMMER 2018**

**Subject Code: 2830006**

**Date: 02/05/2018**

**Subject Name: International Business**

**Time: 2:30 PM-5:30 PM**

**Total Marks: 70**

**Instructions:**

- 1. Attempt all questions.**
- 2. Make suitable assumptions wherever necessary.**
- 3. Figures to the right indicate full marks.**

- Q. No.** Please give appropriate answer from multiple choices given: **06**
- Q.1 (a)** Which of the following is referred to as the predecessor to WTO?
1. A. OPEC B. World Bank  
C. GATT D. IMF
- Cultural homogeneity refers to —
2. A. Intercultural B. cross-cultural movements  
Movements  
C. adaptation to the D. cultural uniformity  
local culture
- A price on goods and services sold by one member of a corporate family to another, such as from a parent to its subsidiary in a foreign country, is known as —
3. A. Transfer price B. Export price  
C. Arm's length price D. Import price
- Which of the following is not a democratic country?
4. A. North Korea B. Nepal  
C. USA D. Sri Lanka
- Which of the following is not a born global firm?
5. A. eBay B. Infosys  
C. Mphasis D. Alibaba.com
- Which of the following forms of FDI is a co-operative agreement between firms?
6. A. Acquisition B. Strategic alliance  
C. Merger D. Joint venture
- Q.1 (b)** 1. Counter Trade **04**  
2. Virtual Organization  
3. Import  
4. WTO
- Q.1 (c)** Differentiate between Polycentric and Geocentric approach to Staffing Foreign Operations. **04**
- Q.2 (a)** Enumerate the dominant reasons for companies to undertake international business. Analyse the major reasons **07**
- (b)** Discuss the main features of a transnational strategy. Do you think transnational strategy is the ultimate solution in intensely Competitive international conditionstoday? Explain. **07**

**OR**

- (b) What are the major Regional Economic Integrations in Asia? Explain their significance and purpose. **07**
- Q.3** (a) Who are Expatriates? Discuss key aspects of Expatriates' compensation. **07**  
(b) Considering the pressure of Global Integration and Local responsiveness, identify four types of international business strategy and explain in detail. **07**

**OR**

- Q.3** (a) Briefly discuss major foreign exchange markets. **07**  
(b) What are options available to go international? Which mode you will use and why? **07**
- Q.4** (a) What is Global supply chain? What are the key factors considered while making global manufacturing strategy? **07**  
(b) Analyze the advantages and disadvantages of first mover and late mover in international market entry. Which one of these two would you recommend and why? **07**

**OR**

- Q.4** (a) Examine the economic and non-economic rationale for government intervention in foreign trade. **07**  
(b) Suppose as a Manager you want to select a country to do business with for expansion in international market, which information is scanned by you? **07**

- Q.5** Khadi India **14**

“Khadi India” has made an important decision tying up with global cloth giants Peter England and Raymonds. This means, that the fabric will be sold at these stores only. The decision is intended to make the fabric reach to international market. This has been taken as one of the non-conventional decisions adopted by Khadi & Village Industries Commission (KVIC). This will emphasise greatly on its brand image in a positive way among the international buyers. As per this MOU, they will allow the sale of this material from all 2,300 bunches which are responsible for producing Khadi products. In this, Raymond has assured of a guaranteed initial capture of a plethora of Khadi fabrics. As per Economic Times, this move is intended to build a similar kind of market potential for them which the famous Fabindia has. The company is a public sector company and is also considering to move into e-business. KVIC's first plan of selling khadi fabric includes listing it on Paytm which will do great in favour of the industry. In the protest against this decision it was mentioned Khadi as not just a fabric but lifestyle and flair of thinking which was adopted by Mahatma Gandhi first and then is now considered as a gift to India from him. As per this MOU, they mentioned that, Raymond and the Centre will likely make the fabric unaffordable for poor.

- A. How you being a manager at Khadi India would deal with the cultural and political environment for the success of this decision?  
B. Give some light on the poor section of workers due to this decision.

**OR**

Emission standards are instituted and governed by the Central Pollution Control Board which helps to regulate the output of air pollutants from the vehicle's engine (internal combustion engine).

BS or Bharat Stage are based on European regulation and were first introduced in 2000 and progressively stringent norms have been rolled out with the latest being implementation of BS-IV (Bharat Stage 4) on all vehicles effective from 1st April 2017.

First BS-III rule was introduced in 2005 and was implemented in 15 cities overall and by 2010 the nationwide implementation of BS-III vehicles was completed.

BS-IV for 13 metro cities was introduced in April 2010 and the nationwide implementation is also now completed with Supreme Court banning the sale of all BS-III vehicles starting April 1, 2017.

The nationwide rollout of BS-IV suffered a delay due to lack of availability of BS-IV compliant fuel. Oil makers had to make the necessary investment to manufacture 50 ppm ultra low sulfur required to support BS-IV norms. Some auto or oil industry people have view that While no one pushed for BS4 fuel availability for 7 years to change over faster, this sudden decision – just a few days before the changeover - is rather unfortunate as it causes undue stress on the entire industry, and causes loss of jobs.

1. Auto Industry, anywhere in the world, requires a stable and predictable policy which allows for long term planning and investments" Discuss this statement in the light of above case.

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