M.B.A.

(SEM. IV) EXAMINATION, 2006-07

INTERNATIONAL BUSINESS AND TRADE

Time : 3 Hours] [Total Marks : 100

Notes : (1) Attempt all questions
        (2) All questions carry equal marks.
        (3) Do Proper Time Management.
        (4) Be precise, factual and analytical in your answer.

1 Attempt any two parts of the following : 10x2=20

(a) "Globalization is a practical reality or operational neo-colonialism by the Western World." Discuss this statement in the light of Micheal Porter's 4-Is of Globalisation and the benefits and limitations of Globalization-based, Economic Reforms, initiated, since July, 1991, in India.

(b) What do you understand by the International Business Environment ? How does non-

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economic environment affect the economic environment of International business in a global market oriented 21st Century World economy? Take Corporate examples from India to substantiate your viewpoint.

(c) Define Multinational Corporations. In your viewpoint, in the Indian Economy discuss benefits and limitation of MNCs in India with MNC examples in the "Indian Economy Global Market Place."

(d) Conceptualise countrywide risks of the Investment decisions and environmental scenario analysis by MNCs when entering the market of a developing country viz. Brazil, Russia, India and China (BRIC) Emerging Market Economies (Goldman Sachs Investment Bank Report, 2005) examples. Give suitable Corporate applications to substantiate your answer.

2 Attempt any two parts of the following: \(10 \times 2 = 20\)

(a) Discuss and diagrammatically illustrate with suitable corporate examples the Five Forces Model of Michael J. Porter, Harvard University, VB-7071] 2 [Contd...
USA. Also explain its relevance in modern complex economic and marketing oriented International Business Environment with Country specific examples.

(b) Define Joint-Ventures. Why in the long run JVs end-up in failures viz. Kinetic-Honda, TVS-Suzuki, Godrej-General Electric etc.? Substantiate your answer by providing both merits and demerits of JVs and which one do you favour in your own opinion and analysis of JVs.

(c) What do you understand by Foreign Institutional Investment "hot money"? Discuss its merits and demerits with examples of Mexico, 1994, Bolivia, 1995, S.E. Asia Economic Crisis, 1997-1999, China and the Indian Economy? In your own view should FII be encouraged in Developing Economies?

(d) Define Foreign Direct Investment. Why does USA and China attract massive FDI Investments? Discuss the merits and demerits of FDI with examples of Coca Cola, Pepsi Foods, NOKIA, Microsoft, Sony-Erickson,
Hyundai, Honda, Toyota and Ford Motors in India. Do you favour Foreign Direct Investments?

3 Attempt any two of the following: 10×2=20

(a) Discuss the major variables governing International Organizations control system. How is Organizational control directly linked with corporate objectives? Does leadership in any way play a major role in Organization control? Substantiate with corporate applications from World Class International Business Global Corporations.

(b) What do you understand by Organizational structures? Global organizations have what kind of structures - Vertical, Horizontal, Flat, Lean, Project Type, Team-based Bureaucratic etc.? Discuss the importance of International Organization's Business Organization structures.

(c) Discuss and give diagramatic illustration of Christopher Bartlett and late Prof. Sumantro Ghoshal's TNCs Model. Cite its relevant findings with International Business examples.
(d) Discuss the role of subsidiaries, strategic business units and franchises of World Class Corporations viz. General Electric, Microsoft, Infosys, TCS, GM etc. Mention its importance for the corporation and the International consumers.

Attempt any two of the following: 10 x 2 = 20

(a) Discuss and diagrammatically illustrate the differences of Adam Smith's Absolute Advantage theory of International Trade with David Ricardo's Comparative Advantage Theory of International Trade. Give appropriate examples.

(b) What do you understand by Capital Account Convertability of the Rupee? Should India implement the Tarapore Committee Report, 1997-2002 on CAC? Give your own viewpoint on CAC?

(c) Discuss the role of World Trade Organization in encouraging global trade. Write in detail about the advantages and disadvantages of TRIPS - Trade Related Intellectual Property Rights.

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(d) Define and critically analyse the SUBSIDIES ISSUE IN AGRICULTURE at WTO.

5 Attempt any two of the following: \(10 \times 2 = 20\)

(a) Discuss the role, functions and importance of the World Bank in providing grants in aid to developing countries and infrastructure projects building in both physical and social infrastructures.

(b) Discuss any two of the following critical International Trade issues -
(i) Child Labour in Industries.
(ii) Subsidies given to farmers in Industrialized Countries.
(iii) KYOTO PROTOCOL-1970 and Global Warming.

(c) Discuss the reasons and remedies for adverse Balance of Payments (BOP) conditions. How did India reverse its adverse BOP conditions in July, 1991 by resorting to devaluation and loan from IMF? Explain your viewpoints. Use diagrams wherever appropriate.
(d) What is the role and functions of the International Monetary Fund (IMF)? Discuss its benefits in a Global Economy. Give examples from BOP crisis in developing nations and IMF remedies to it via economic reforms in trade sector.