



PG – 106

IV Semester M.B.A. (Day) Degree Examination, June/July 2013  
(2007-08 Scheme)  
Management  
Paper – 4.2 : INTERNATIONAL BUSINESS

Time : 3 Hours

Max. Marks : 75

SECTION – A

**Note :** Answer any six of the following questions. Each one carries two marks. (2×6=12)

1. a) Distinguish between domestic and international trade.
- b) What is meant by management contract ?
- c) What do you understand by the term 'globalisation' ?
- d) Name any four regional trade blocks in full form.
- e) What do you mean by competitiveness ?
- f) What is meant by country of origin certificate ?
- g) What do you understand by the term global corporation ?
- h) Write the full forms of FOB, FAS, CF and CIF.

SECTION – B

(3×8=24)

**Note :** Answer any three of the following questions. Each one carries eight marks.

2. Describe absolute advantage theory with suitable resource efficiency model.
3. Critically comment on functioning of European Union.
4. Portray the working of institutions connected to EXIM trade India.
5. Critically comment on role of performance indicators in evaluating International business.
6. Describe the different structural designs of MNEs.

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## SECTION – C

(2×12=24)

**Note :** Answer any two of the following questions. Each one carries twelve marks.

7. Explain in detail different forms of international business with latest examples.
8. Trace out procedural steps involved in and documentations needed in export trade.
9. Bring out the role of negotiations in international business and also explain the role of international agencies in conflict resolution.

## SECTION – D

(1×15=15)

**(Compulsory)**

10. Case study - Read the following case carefully and answer the questions given at the end.

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 28 – 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 Yang, a part of the \$ 2 billion Tong Yang 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 Yang'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/ minimised ?
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