

(DBUS 40)

M.B.A. (3 Years) DEGREE EXAMINATION, DECEMBER 2019.

Third Year

INTERNATIONAL BUSINESS

Time : Three hours

Maximum : 70 marks

SECTION A — (3 × 5 = 15 marks)

Answer any THREE questions.

1. (a) Objectives of International business.
- (b) Features of MNC.
- (c) Benefits of Strategic Management.
- (d) Regional Trade.
- (e) GATT
- (f) Multilateral agreements.

SECTION B — (3 × 15 = 45 marks)

Answer any THREE questions.

2. Explain the Role of International Trade in Economic Development of India.
3. Outline the Process of Strategic Planning.
4. Write a note on 'negotiations in International Business'.
5. Write a note on measurement and evaluation of performance of MNCs.
6. Enumerate the role of WTO in the settlement of business issues between the countries.
7. Examine the Role of Human Resource Management in Multinational Companies.

SECTION C — (10 marks)

(Compulsory)

8. Case study :

The Star Corporation is a Hong Kong manufacturing firm that is going to do business in mainland China. The company's contract with the Chinese government calls for it to supply technical know-how and machinery for producing consumer electronics. These products are not state of the art, but they will be more than adequate for the needs of the Chinese consumers. Star has agreed to sell the Chinese its plant, which was being closed because it was no longer competitive.

The Chinese will pay to move all the machinery and equipment to their country and install it in a factory that is currently being modified for this purpose. The two will then become partners in the venture. Star will provide the management and technical expertise to run the plant, and the Chinese will provide the workers and will be responsible for paying for all the output. Star will receive an annual fee of S 3 million and 5 percent of all sales.

The Star management is very pleased with the arrangement although they are of Chinese descent, they have lived in Hong Kong all their lives and know relatively little about doing business either with or in China. To provide Star with the necessary information and assistance, a native of China, educated there but living in Hong Kong the past 5 years, was brought in. The individual told the company the following facts about China:

Chinese managers do not plan. They are usually told what to do and they do it. Planning is handled by others and simply passed on to them.

Chinese managers are not concerned with profit or loss. They simply do their jobs and let the government worry about whether the operation is making money.

No rewards are given to workers who perform well; everyone is treated the same. If there is no work, the workers are still paid, although they may not be required to come to the factory.

There is basic aversion to individual decision making; most decisions are collective efforts.

The current government of China would like its managers to learn how to run a profit oriented operation and eventually eliminate the need for foreign managerial assistance.

When outsiders tell Chinese how to do things, they have to be careful not to insult or offend the Chinese who are often sensitive about the way they are treated.

Questions:

- (a) What selection criteria would you recommend to Star when deciding whom to send to China?
- (b) What procedures should the company use in making the final selection? and
- (c) What type of repatriation agreement would you recommend the firm use?

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Third Year

INTERNATIONAL FINANCIAL MANAGEMENT

Time : Three hours

Maximum : 70 marks

SECTION A — (3 × 5 = 15 marks)

Answer any THREE questions.

1. (a) Economic dimensions in international financial Management.
- (b) World Bank
- (c) Fixed Exchange rate
- (d) Cash Management in MNC.
- (e) Bond market
- (f) Accounting exposure.

SECTION B — (3 × 15 = 45 marks)

Answer any THREE questions.

2. Explain finance function in MNC.
3. Discuss the working of international financial institutions.
4. Describe the sources of financing foreign trade.
5. State the factors that influence international financing decision.
6. Bring out the Forex regulations at the international level.
7. Enumerate the techniques of forecasting exchange rate.

SECTION C — (10 marks)

(Compulsory)

8. Case study

An Indian exporting firm, Rohit and Bros, would like to cover itself against a likely depreciation of pound sterling. The following data is given:

Receivable of Rohit and Bros : Rs. 5,00,000

Sport rate : Rs. 561

Payment date : 3 months

3-month interest rate : India : 12% per annum

UK : 5% per annum

What should the exporter do?

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INTERNATIONAL MARKETING

Time : Three hours

Maximum : 70 marks

SECTION A — (3 × 5 = 15 marks)

Answer any THREE questions.

1. (a) Scope of International marketing.
- (b) Cultural environment
- (c) FTZs
- (d) Marketing mix
- (e) Export policy
- (f) International market research

SECTION B — (3 × 15 = 45 marks)

Answer any THREE questions.

2. State the considerations in International marketing.
3. Explain factors influencing international business under political and economic environment.
4. What are the various documents required for export business?
5. Discuss about promotional Management in International level.
6. Explain the importance of packing in International marketing.
7. What are the advantages and disadvantages of international market segmentation?

SECTION C — (10 marks)

(Compulsory)

8. Case study

AST Research Inc. entered the Chinese PC market early, before IBM, Compaq and Apple. It established a market presence by advertising in Chinese computer magazines and shuttled managers to China to demonstrate its products. This paid off and allowed it to capture over 25% of the market in China. While it faces increasing competition from IBM, Compaq and Apple, it early places it in a good competitive position in the Chinese PC market.

Questions :

- (a) Critically examine the market entry strategy of AST Research Inc.
 - (b) Under what circumstances, a company can adopt the strategy as AST research Inc?
 - (c) Explain the risk and problems associated with such a strategy.
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