

(DBUS40)

M.B.A. DEGREE EXAMINATION, MAY – 2017

Final Year

D - INTERNATIONAL MANAGEMENT

International Business

Time : 3 Hours

Maximum Marks: 75

SECTION-A

(3 × 5 = 15)

Answer three questions

- Q1)** a) Restricted trade.
b) Strategic planning.
c) Corporate culture.
d) International logistics.
e) GATT.
f) Regional trade disparities.

SECTION-B

(3 × 15 = 45)

Answer three questions

- Q2)** Describe the process of international business.
- Q3)** Write about M-M approach for international trade.
- Q4)** Bringout the factors influencing multinational corporate culture.
- Q5)** Examine the role of negotiations in international business.
- Q6)** Discuss about co-operation between regional trade groups.
- Q7)** Enumerate the role of WTO in the settlement of business issues between the countries.

SECTION-C

(15)

Compulsory

Q8) Case study.

LAKE WOOD FOREST PRODUCTS

Ward insisted that to truly penetrate the international market, he would need to keep his labor cost low. As a result, he decided to automate as much of the production as possible. However, no equipment was readily available to produce chopsticks, because no one had automated the process before.

After much searching, Ward identified a European equipment manufacturer who produced machinery for making Popsicle sticks. He purchased equipment from the Danish firm to better carry out the sorting and finishing processes. However, because aspen wood was quite different from the wood for which the machine was designed, as was the final product, substantial design adjustments had to be made. Sophisticated equipment was also purchased to strip the bark from the wood and peel it into long, thin sheets. Finally, a computer vision system was acquired to detect defects in the chopsticks. The system rejected more than 20 percent of the production, and yet some of the chopsticks that passed inspection were splintering. However, Ward firmly believed that further fine-tuning of the equipment and training of the new work force would gradually take care of the problem.

Given this fully automated process, Lakewood Forest Products was able to develop capacity for up to 7 million chopsticks a day. With a unit manufacturing cost of \$0.03 and anticipated unit selling price of \$0.057, Ward expected to earn a pretax profit of \$4.7 million in 1988.

Due to intense marketing efforts in Japan and the fact that Japanese customers were struggling to obtain sufficient supplies of disposable chopsticks, Ward was able to presell the first five years of production quite quickly. By late 1987, Lakewood Forest Products was ready to enter the international market, with an ample supply of raw materials and an almost totally automated plant, Lakewood was positioned as the world's largest and least labor-intensive manufacturer of chopsticks. The first shipment of six containers with a load of 12 million pairs of chopsticks to Japan was made in October 1987.

Questions for Discussion:

- a) What are the environmental factors that are working for and against Lakewood Forest Products both at home in the United States and in the target market, Japan?
- b) New-product success is a function of trial and repurchase. How do Lakewood's chances look along these two dimensions?

EEE

(DBUS41)

M.B.A. DEGREE EXAMINATION, MAY – 2017

Final Year

D - INTERNATIONAL MANAGEMENT

International Financial Management

Time : 3 Hours

Maximum Marks: 75

SECTION-A

(3 × 5 = 15)

Answer any three questions

- Q1)** a) Multi-National firm.
b) Disequilibrium in BOP.
c) Exchange rate forecasting.
d) International Receivables management.
e) Forex control.
f) IMF.

SECTION-B

(3 × 15 = 45)

Answer three questions

- Q2)** Elucidate the dimensions in International financial environment.
- Q3)** Give an overview on international financial issues.
- Q4)** Discuss about management of various foreign exchange rate exposures.
- Q5)** Explain how to estimate requirements of working capital at international level.
- Q6)** Write about regulating authorities of international finance.
- Q7)** Briefly explain about types of foreign exchange rates.

SECTION-C

(15)

Compulsory

Q8) Case study

The call premium per British pound on March 1 is \$0.04, the expiration date is September 19, and the strike price is \$ 1.80. A speculator believes that the spot rate for the pound will rise to \$ 1.92 by September. 19.

- a) If the speculator expectations are correct, what would be her dollar profit from speculating two pound call options (£ 62,500)?
- b) If the spot rate were \$ 1.76 per pound when the option expired, would the speculator exercise the option? What would be her loss from this speculation?

EEE

(DBUS42)

M.B.A. DEGREE EXAMINATION, MAY – 2017

Third Year

D - INTERNATIONAL MANAGEMENT

International Marketing

Time : 3 Hours

Maximum Marks: 75

SECTION-A

(3 × 5 = 15)

Answer three questions

- Q1)** a) FTZs.
b) Monetary environment.
c) Product policy.
d) Advertising.
e) International market.
f) EXIM policy.

SECTION-B

(3 × 15 = 45)

Answer three questions.

- Q2)** Describe the nature and scope of international marketing.
- Q3)** Bringout the cultural and social elements of business environment.
- Q4)** What are the various documents required for export business?
- Q5)** Discuss about promotional management at international level.
- Q6)** Explain the bases for international market segmentation.
- Q7)** Write in detail about international pricing policy.

SECTION-C

(15)

Compulsory

Q8) Case study

Let us go shopping at the Asian garden. Inside you will find many typical suburban shopping mall-business. CD and tape stores, travel agencies, restaurants, a supermarket, book stores etc where are you?

In Westminister California – known locally as little Saigon.

More than 2.7 million Asian Americans live in California so its not surprising to find oriental shopping malls there. By the year 2009, the states, Asian population will exceed 4.5 million, some 13 per cent of its population. As compared to other US households, Asian-American households have substantially higher income and education levels, and almost twice the proportion of Asian Americans are employed as managers or professionals.

Most Asian Americans cluster in large cities such as San Francisco, Los Angels or New York. They are strongly family oriented and often pool family efforts and resources to improve the lot of all. Extended families tend to live in the same household a tradition carried over from their homelands. Further, members of the family work in the family business. Marketers targeting at Asian Americans must understand the importance of family.

Asian American consumption behaviour differs from that of other segments for example – Asian Americans are primarily interested in quality. Asian Americans enjoy shopping as leisure activity, love bargains and often negotiate prices. They are at home with high technology, making them a good market for VCRs, home computers, CD players, cameras and telephone answering machines. Asian Americans do not have preconceived images of brands and companies. In a recent survey, 76 per cent of them could not name the brand of frozen food they purchased last. This highly diverse market consists of Japanese, Vietnamese, Koreans, Indians, Malaysians and Chinese – all speaking multiple languages and dialects. Because of this linguistic diversity television may not be an effective medium. Fortunately, Asian Americans like to read, making newspapers a more cost-effective medium. In addition, numerous Asian – American consultants and advertising agencies are available to help marketers design Asian American strategies.

Thus, Asian American market may constitute a marketer's dream of a large, lucrative and recession proof market. Asian Americans have higher incomes and because many are employed in a family business or in high tech fields, fewer are unemployed.

Questions:

- a) What cultural, personal, social and psychological characteristics distinguish the Asian American market?
- b) Why are Asian-Americans more likely to buy high tech products?
- c) Analyse Asian-American buying motives.

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