DBUS40

M.B.A. DEGREE EXAMINATION, JUNE/JULY - 2019 (Third Year) INTERNATIONAL MANAGEMENT (Optional)

International Business

Time: 3 Hours Maximum Marks: 70

SECTION - A $(3 \times 5 = 15)$ Answer any three questions

- **Q1)** a) Balance of Trade
 - b) Need for Strategic Management
 - c) Benefits of Control System
 - d) International Logistics
 - e) WTO
 - f) Negotiated Agreements

$\underline{\mathbf{SECTION} - \mathbf{B}} \qquad (3 \times 15 = 45)$

Answer any three questions

- **Q2)** Explain the nature and Scope of International Business.
- Q3) Write about the process of Strategic Planning in MNCs.
- **Q4)** Explain the Comparative Cost Theory of International Trade.
- **Q5)** Examine the role of negotiations in International Business.
- **Q6)** Describe the factors influencing Multinational Corporate Culture.
- **Q7)** What is the role of IMF in International Business?

SECTION - C (10 Marks)

(Compulsory)

Q8) Case Study:

With the help of following case study, analyse whether globalisation has facilitated.

- a) The Indian economic scenario
- b) Indian business
- c) Consumer culture in India

The carbonated drinks industry has grown well in the past few years in India. Fast food has become the evening dinner concept for many young Indians. The roadside tender coconut and nimbu paani vendors have good sales in summer. The other times they lose out on sales quoting hygiene conditions.



DBUS41

M.B.A. DEGREE EXAMINATION, JUNE/JULY - 2019

(Third Year)

International Financial Management

Time: 3 Hours Maximum Marks: 70

$\underline{\mathbf{SECTION} - \mathbf{A}} \qquad (3 \times 5 = 15)$

Answer any three questions

- **Q1)** a) Reserve Account
 - b) IMF
 - c) Real Capital Flows
 - d) Operating Exposure
 - e) Fixed Exchange Rate
 - f) Object of Exchange Control

$\underline{SECTION - B} \qquad (3 \times 15 = 45)$

Answer any three questions

- **Q2)** Examine the goals of finance manager of MNC.
- Q3) Discuss about asset market models of exchange rate determination.
- **Q4)** Explain the techniques employed in the management of cash in MNC.
- **Q5)** Outline the features of International Financial System.
- **Q6)** Bring out the foreign exchange regulations at the global level.
- Q7) Trace out the strategies followed in international investment decisions.

$\underline{SECTION - C} \tag{10}$

(Compulsory)

Q8) Case Study: (Separate sheet enclosed)

Company a wishes to borrow 10 million at a fixed rate for 5 years and has been offered either 11% fixed or six months LIBRO+1%. Company B wishes to borrow 10 million at floating rate for 5 years and has been offered either 10% fixed or 6 months LIBRO+0.5%

- i) How do they enter into a swap arrangement in which each benefit equally.
- ii) What risks did this arrangement generate?



DBUS42

M.B.A. DEGREE EXAMINATION, JUNE/JULY - 2019 (Third Year) INTERNATIONAL MANAGEMENT (Optional) International Marketing

Time: 3 Hours Maximum Marks: 70

SECTION - A (3 x 5 = 15) Answer any three questions

- Q1) a) Nature of International Marketing.
 - b) FTZs.
 - c) Political Environment of International Business.
 - d) EXIM Policy.
 - e) International Pricing Policy.
 - f) Market Segmentation.

SECTION - B $(3 \times 15 = 45)$ Answer any three questions

- **Q2)** Explain the Challenges faced by International Marketing.
- **Q3)** What are the cultural and Social Environment factors effect the International Business? Explain in detail.
- **Q4)** Explain export documentation process in detail.
- **Q5)** Write a note on distribution and sales policy with regard to international marketing.
- **Q6)** Explain the international market research process.
- **Q7)** What is the importance of packaging in international marketing?

 $\frac{\text{SECTION - C}}{\text{(Compulsory)}} \tag{10}$

Q8) Case Study:

EXPORT TO A NEW MARKET

The total production of the company has increased by thirty percent in the last five years. The export business has also shown an increase from zero percent in this period. The rise is largely due to a focused approach in getting orders and expanding the markets.

The company, Moonlight Lubricants Limited has a reasonably good market share of 300 crore in the domestic market of automotive lubricants and enjoys a reasonable presence in

all major regions. The company was set up by the group of shows, a leading business house around 12 years ago and lubricants were its major product. The company grew at a rate of 10 percent per annum in the first seven years but by 1990 it showed tremendous growth. The expanding market and of the fastest growing market and thus Moonlight also benefited from this growth.

Around the same time, its Chief Executive Praveen Sharma, decided to explore the overseas markets. Encouraged by the good response the company increased its efforts in exports which showed a good performance.

As Praveen sums up, "Exports offer greater markets which stimulate the growth of the company. In the last five years, our exports have risen to almost one fifth of our total production and we hope to double the exports in the next two years".

The other benefits of entering an overseas market are better market knowledge, exposure and greater presence. The company has recently developed a special product only for the European market, based on the trade predictions of last year. The product was received very well in its markets in Europe and Praveen had extended discussions with a couple of large groups in these markets to try the product. The company is planning to launch a similar product, which is suitable to local needs, in the domestic market by end of the year.

This product, named, Moon-lube, was to be sold in Europe through agents and for this purpose, as advertisement was circulated in trade magazines of two countries. A product advertisement was also put in two leading foreign trade magazines, asking people to respond by filling a coupon-send their visiting card. The company received around 450 queries on the product and around 25 people responded to the advertisement for agent.

The Company's Export Director, Rajeev Menon, visited these two countries and had discussions with nearly 7 people shortlisted out of 25, for selecting the agent. The person finally selected, worked on sales-leads and had also developed his network in a very short period. The procedure of selling through the agent was like this. The agent passes an order to the company and the company delivers it to the agent who in turn sells it further and both the parties share the risk equally. Rajeev then decided to introduce the product gradually in other countries as well as using the same exercise of choosing the agent and developing sales leads.

He said, "the experience of earlier sales and marketing in these two places taught me two things – first, that you are as good in the foreign market as your agent. And second, that time taken by you in selecting the right person and right media is worth the wait".

Questions:

- a) Do you agree with the observations made by Rajeev Menon?
- b) How can the company ensure more awareness of its products in new markets?
- c) Can Moonlight use any other methods to increase their sales in new markets?

