

**GUJARAT TECHNOLOGICAL UNIVERSITY**  
**M.B.A.- SEMESTER – IV EXAMINATION – OCTOBER 2012**

**Subject code: 840002**

**Date: 25-10-2012**

**Subject Name: International Business (IB)**

**Time: 2:30 pm – 5:30 pm**

**Total Marks: 70**

**Instructions:**

- 1. Attempt all questions.**
- 2. Make suitable assumptions wherever necessary.**
- 3. Figures to the right indicate full marks.**
- 4. Component-wise marks are indicated in (bracket) to decide the length of answer/s as well as facilitate their objective evaluation.**

- Q.1 (a)** The conduct of Unilever Limited, a multinational organization depends on two factors: its objectives, and the means by which it intends to achieve these objectives. Explain with a Diagram. (3 marks for diagram, 2 marks for 'objectives' and 2 marks for 'means' to achieve objectives). **07**
- (b)** Do you think something is wrong with Globalization? Explain briefly: (i) Threats to National Sovereignty, (ii) Economic Growth and Environmental Stress, (iii) Growing Income Inequality. (1+2+2+2 marks). **07**

- Q.2 (a)** Explain the elements of Economic Environment: GNP, GNI, Per Capita GNI, Rate of Change, Purchasing Power Parity (PPP), Human Development Index (HDI), and Green Measures of GNP. (1 mark each). **07**
- (b)** Discuss (i) The Impact of Inflation on Cost of Living in Zimbabwe, (ii) Problems of Unemployment in any country. (3+4 marks). **07**

**OR**

- (b)** "Announced in 2005 by CEO Jeffrey Immelt, Ecomagination is an ambitious strategy designed to demonstrate that an ecologically conscious conglomerate can cultivate the bottom-line while doing its duty toward the global environment." Explain this statement, highlighting three Commitments and Goals of GE (General Electric) Company. (4 marks for explanation, and 1 mark for each of three goals). **07**

- Q.3 (a)** What is WTO? What does the WTO Do? What was Doha Round of Talks? (3+2+2 marks) **07**
- (b)** What is EU and its role? List at least 10 Names of Member Countries of EU having larger Gross National Income. (You need not mention figures). (2 marks for EU, and ½ mark per name of country under EU). **07**

**OR**

- Q.3 (a)** How do companies deal with Ethical Dilemmas? Argue, how Corruption and Bribery in Corporate sector affects Indian economy. Give one example of Corruption, and second example of recent Public Outcry against Corruption. (2+3+1+1 marks). **07**
- (b)** What is Tariff based control? Give four examples of India's Tariff based controls for four products of your choice. (5+2 marks) **07**

- Q.4 (a)** Who are the four major players in the foreign exchange markets? **07**  
Whom do the players serve? What do players do? Give an example of electronic services, a Dealer of foreign exchange provides. (2+2+2+1 mark).
- (b)** Explain briefly the meaning of the terms: (i) Spot Transactions. (ii) **07**  
Outright Forward Transactions. (iii) FX Swap. (iv) Currency Swaps. (v) Options. (vi) Future Contract. (vii) Exchange Trade Markets. (1 mark each).

**OR**

- Q.4 (a)** “Retail stores or Hypermarket stores business can grow to become a **07**  
successful multinational company with the right Countries Evaluation and Selection process.” Explain with an example. Use Carrefour CASE or any other CASE you may have learnt in your class to explain the concept.  
(2 marks for history of company’s growth, 2 marks for country / location selection, 2 marks for purchase strategy, 1 mark for logistics strategy).
- Q.4 (b)** “In choosing locations for international operations, a company **07**  
should begin by analyzing three factors: its objectives, its competencies, and its comparative environmental fit with its conditions under consideration.” Explain with a Diagram. (4 marks for diagram, 3 marks for explanation).

- Q.5 (a)** Show The International Transaction Chain (Export-Import process) **07**  
through a Diagram, and explain each step in brief. (4+3 marks)
- (b)** Why Import? Explain the strategic advantages of import. (3+4 **07**  
marks)

**OR**

- Q.5 (a)** In a comprehensive Global Supply Chain strategy, explain in 2-3 **07**  
lines the meaning and role of each concept: (i) Strategy. (ii) EDI. (iii) ERP. (iv) RFID. (v) E-commerce. (vi) Extranets and Intranets. (vii) The Digital Devide. (1 mark each).
- (b)** Give names and locations of fourteen Free Trade Zones in India / **07**  
UAE / Asia-Pacific. (1/2 mark each).

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