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Code No: BA1911

GEC-R14

MBA II Semester Regular/Suppl. Examinations, May 2016

INTERNATIONAL BUSINESS
(Master of Business Administration)

Time: 3 Hours

Max. Marks: 60

Note: Answer All Sections of Questions

All Questions from **Section-A** are to be answered at one place.

SECTION-A

6 × 2 = 12M

1. Tariff Barriers
2. Foreign Direct Investment
3. Equilibrium state of BOP
4. Merits and Demerits of MNCs
5. International Monetary Fund
6. Major players of Foreign Exchange Market

SECTION-B

1 × 12 = 36M

1. a) What do you understand about trade barriers? Examine the reasons for trade barriers with suitable illustrations.

(OR)

- b) What are causes of disequilibrium in BOP? Discuss the methods to correct it.
2. a) Discuss the currency exchange risks and their management in Foreign Exchange Market

(OR)

- b) Explain the role of SEZs' and EPZ's in the development of India.
3. a) What are the International Liquidity Problems? Discuss the role and functions of IBRD in managing ILPs.

(OR)

- b) What are the trade strategies you can suggest to an Indian firm to face globalization – discuss with suitable examples?

SECTION-C

1 × 12 = 12M

CASE STUDY

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 1998-99-2000-01. 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 as 100 percent subsidiary in USA, Mahindra USA with a strong network of 100 dealers is performing business in USA. Mahindra has a five-per cent market share in the US market in the 28-30 horse power (HP). 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 bn 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

- i) What are the advantages and disadvantages of global sourcing?
- ii) How will the foreign market expansion help M&M?
- iii) How does the strategic alliance with Tong Yang benefit M&M?
- iv) What are the possible risks of the alliance? How can they be overcome/minimized?
