

**GUJARAT TECHNOLOGICAL UNIVERSITY****M.B.A. Sem - IV Examination May 2011****Subject code: 840002****Subject Name: International Business****Date: 17/05/2011****Time: 02.30 pm – 05.30 pm****Total Marks: 70****Instructions:**

1. **Attempt all questions.**
2. **Make suitable assumptions wherever necessary.**
3. **Figures to the right indicate full marks.**

- Q.1** (a) Why do business firms of a country go to other countries? Give your answer with suitable examples. **07**
- (b) Explain the various environmental factors affecting International Business in brief. **07**
- Q.2** (a) Assume that a company near you wanted to expand into foreign markets. What issues should that company explore before deciding whether to export or to engage in foreign direct investment? **07**
- (b) “Differences in comparative costs accounts for the existence of foreign trade and determines its composition and magnitude.” Discuss. **07**
- OR**
- (b) Explain in brief ‘The Porters Diamond Theory of International Trade’, taking example of a particular Indian Industry. **07**
- Q.3** (a) Assume yourself in the role of top management at a major global electronics company that is developing a wireless device capable of on-demand music and video downloads from anywhere on the globe. What criteria should the company use to make a decision on where to manufacture the device and whether to outsource the manufacturing or control it internally? **07**
- (b) Discuss the human resource implications for an MNE that pursues (a) a multi-domestic strategy, (b) a global strategy and (c) a transnational strategy. **07**
- OR**
- Q.3** (a) Managers often study many second-order indicators of economic performance and potential, including inflation, unemployment, debt, income distribution, poverty, and the balance of payments. Which of these indicators may be more relevant to the assessment of an industrialized economy as compared to the assessment of an emerging economy? **07**
- (b) Multinational enterprises are increasingly subject to demands from both national and local governments to implement comprehensive social programs, engage in improved labor relations, and meet increasingly rigorous environmental regulations. Explain the ethical dilemma’s these companies face. **07**
- Q.4** (a) What is the Role of IMF? Suggest ways in which the IMF might alter its approach in the future. **07**
- (b) What are the main objectives and major contributions of WTO over GATT? Explain in short. **07**
- OR**
- Q.4** (a) What is Economic Integration? Explain the different levels of economic Integration with suitable examples. **07**
- (b) Write a note on NAFTA. **07**

- Q.5 (a)** What is meant by global competitiveness? Explain in brief the factors affecting the global competitiveness of a firm. **07**
- (b)** Explain with suitable examples tools available to identify and select countries for doing business. **07**

**OR**

- Q.5 (a)** What is Foreign Exchange Market? Explain the factors determining the exchange rate determination in brief. **07**
- (b)** Examine the major factors influencing the development of accounting practices in different countries. **07**

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