Seat No.: __________ Enrolment No.____________

GUJARAT TECHNOLOGICAL UNIVERSITY

MBA Semester –III Examination Dec. - 2011

Subject code: 2830006 **Date: 10/12/2011**

Subject Name: International Business

Time: 10.30 am – 01.30 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)**	Discuss various forces driving globalization.	**07**
	(b)	What is Political Risk? Which are different types of political risks?	**07**
Q.2	**(a)**	Discuss in brief various indicators used by managers while undertaking economic environment analysis.	**07**
	(b)	Write a short note on "Balance of Payments"	**07**
		OR	
	(b)	Briefly explain different types of economic systems.	**07**
Q.3	**(a)**	Explain economic rationales for governmental intervention in foreign trade.	**07**
	(b)	Briefly discuss major foreign exchange markets.	**07**
		OR	
Q.3	**(a)**	In which ways, European Union affects competitive strategies of foreign firms that choose to do business with it?	**07**
	(b)	Explain the business implications of exchange rate changes.	**07**
Q.4	**(a)**	Discuss various types of strategies firms use in International Business.	**07**
	(b)	Discuss various control mechanisms used by MNCs to direct the activities of individuals towards the achievement of organizational goals.	**07**
		OR	
Q.4	**(a)**	How might a company make strategic use of countertrade schemes to generate export revenues? What are the risks associated with pursuing such a strategy?	**07**
	(b)	Before selecting any country to do business with, which information is scanned by managers?	**07**
Q.5	**(a)**	Write a note on "Corporate Governance"	**07**
	(b)	What is the link between an international business's strategy and its human resource management policies, particularly with regard to the use of expatriate employees and their pay scale?	**07**
		OR	
Q.5	**(a)**	A firm has to decide whether to make a component part in-house, or to contract it out to an independent supplier. Manufacturing the part requires a non-recoverable investment in specialized assets. The most efficient suppliers are located in countries with currencies that many foreign exchange analysts expect to appreciate substantially on the foreign exchange market over the next decade. What are the pros and cons of (a) manufacturing the component in-house, and (b) outsourcing manufacture to an independent supplier? Which option would you recommend? Why?	**07**
	(b)	How can the finance function of an international business improve the competitive position of the firm in the global market place?	**07**

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