

M.B.A DEGREE EXAMINATIONS: JULY 2010

Third Trimester

MBA515: INTERNATIONAL BUSINESS MANAGEMENT

Time: Three Hours

Maximum Marks: 100

Answer All the Questions:-

PART A (1 x 20 = 20 Marks)

1. Case Study:-

IF YOU CAN'T BEAT THE CHINESE, JOIN THEM

If you don't want the Chinese to get you, get them. Even as the scare of low cost high quality. Chinese imports flooding in have sent one section of India inc.' scurrying for cover and protectionism, organized players in the home appliance industry are taking advantage of it. Instead of lobbying to keep out the Chinese, companies like Bajaj Electrical & Japan Industries are switching over to Chinese manufacturers to source products for the Indian market. And they're not alone

Chinese products are expected to have a significant impact on the consumer electronics segment like televisions & refrigerators in the next few years. Industry experts say that major such as LG & Samsung would exit the television & other consumer durable business in the long run & focus on digital products, making way for the Chinese makes. It's just sigh on things to come. Consumer electronics experts predict that unless the Indian polices change, Indian players will increasingly switch over to marketing Chinese products in India.

Bajaj Electrical is bringing in a range of products – fans & toasters – into India at cheaper prices & providing the brand support & after- sales service here. Home appliances like toasters, iron, fans & microwave oven are being brought from China at rates which are cheaper by as much as 35 to 50 percent vis- a vis other Indian makes.

Mr. Shekhar BAJAJ, chairman & managing director of Bajaj Electricals says that the products imported from china are not only providing to be qualitatively better, but also 15-20 percent cheaper than those manufactured within the country.

Mr. Aharwal, managing director of Japan Industries, leading local player in no- stick utensils, toasters, roti-makers & mixers grinders, told Economic Times that Japan also planning to tie- up with one of the Chinese manufacturers next years. 'Chinese product are proving to be so competitive that it makes sense for us to tie up with them & market these products under our brand name in India,' he said.

These companies are moving over from local manufacturing to sourcing from china mainly because of better quality at cheaper prices, thanks to their strong manufacturing bases & backward integration. Industries circles say that a number of big distributors are planning to bring in Chinese products, could well play complete havoc in Indian market.

Questions:

1. How do you define the strategy, “if you fail to compete with your closer competitor marry it”?
2. Explain the limitations of Indian manufacturer in competing with the Chinese manufacturers.

PART B (10 x 2 = 20 Marks)

2. Define international business.
3. What do you understand by Mergers and Acquisition?
4. What are the advantages of comparative cost theory?
5. Why does the regional block emerge in business?
6. Distinguish between GATT and WTO.
7. What is Strategy Planning?
8. What are the various approaches to Control MNCs?
9. What are the components of IT?
10. Define Negotiations?
11. What is Conflict resolution?

PART C (4 x 15 = 60 Marks)

12. (a) (i) Explain the trade theories of international business? How do trade theories differ from investment theories? (8)
(ii) What are the different modes of entry to international business? (7)
(OR)
(b) (i) What is exchange rate determination? List the arguments in favors of flexible exchange rates. (8)
(ii) List out the main pricing strategies available to an international firm. (7)
13. (a) (i) Explain the importance and objectives of regional trade blocks. (8)
(ii) Discuss the impact of various environments due to globalization in present business. (7)

(OR)

(b) (i) Discuss the advantages and disadvantages to India after becoming the member of WTO. (7)

(ii) Compare and contrast strategic issues of global firms in automobile and PC industry. (8)

14. (a) Discuss the various structural designs of multinational enterprises.

(OR)

(b) Discuss the various factors involved in National Vs Global strategy planning.

15. (a) (i) Discuss the various approaches to control multinational enterprises (8)

(ii) What are the various steps involved in Conflict resolutions? (7)

(OR)

(b) (i) Discuss the important factors which causes conflict in international business. (8)

(ii) Explain the role and components of IT in international business (7)
