

2020

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6. Write Short Notes on Any **Three** : (3×6=18)

- (i) Leontief Paradox
- (ii) Strategic Alliance
- (iii) Greenfield Investment
- (iv) Stages of Internationalisation
- (v) Difference between Fixed and Floating Exchange Rate

[This question paper contains 4 printed pages.]

Your Roll No.....

Sr. No. of Question Paper : 2020

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Unique Paper Code : 2924001207

Name of the Paper : Introduction to International Business (Generic Elective)

Name of the Course : **Bachelor of Management Studies (BMS)**

Semester : II

Duration : 3 Hours

Maximum Marks : 90

**Instructions for Candidates**

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. Attempt any **five** questions.
3. **All** questions carry equal marks.

1. You are the international manager of a U.S. business that has just developed a revolutionary new laptop that can perform the same functions as existing laptops' but costs only half as much to manufacture. Several patents protect the unique design of this

(500)

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laptop. Your CEO has asked to formulate a recommendation for how to expand into Western Europe. Your options are

- (a) to export from United States,
- (b) to license a European firm to manufacture and market computer in Europe, or
- (c) to set up wholly owned subsidiary in Europe.

Evaluate the pros and cons of each alternative, and suggest a course of action to your CEO.

(6+6+6=18)

- 2. (i) Describe the economic, political and cultural environment of business between nations and their implications for international business.
- (ii) Explain various challenges of global business and the advantages and disadvantages of Regional Trade Blocks. (9+9=18)

- 3. (i) What are the different functions of foreign exchange market? Distinguish between foreign exchange risk and foreign exchange exposure?
- (ii) Briefly explain foreign exchange risks. How are these risks managed? (9+9=18)
- 4. (i) Describe the structure of WTO in detail. Also state the functions of the WTO. What is dumping? What is WTO's stand on dumping?
- (ii) Discuss the reason for establishment of World Bank. How does it operate? Also explain the major areas of work of the organisations under the World Bank. (9+9=18)
- 5. (i) Describe the basic premise of Factor Proportions theory. Explain it in detail.
- (ii) Explain the difference between Absolute Advantage and Comparative Advantage. How has the theory of Absolute Advantage been evolved? (9+9=18)