

2020

TWO YEAR M. COM. SEMESTER 1 EXAMINATION

(New Syllabus under CBCS)

Instructions for Examinees

The students are required to strictly adhere to the following instructions:

1. Use A4 size paper for giving the examination.
2. Write the following on the top of the first page of answer sheet:
 - i) Roll Number: (as per the Admit Card)
 - ii) Registration Number: (as per the Admit Card)
 - iii) Paper Code and Name of the Paper
 - iv) Date of the examination
 - v) Duration of examination (12 noon to 2pm)
3. Put page number on the top right of each page (including the first page).
4. Only one side of the paper should be used for examination.
5. Put your signature with date, at the bottom right of every page used.
6. Before sending your answer scripts, arrange the pages sequentially. Scan them in the order of page number and convert them into a single pdf. file.
7. Pdf. file name should be your **Full Roll Number <underscore> paper code**. While submitting the answer scripts, the subject of the mail will be exactly the same with the file name. [e.g., if the roll no of a student is C95/MCM/123456, for fifth paper (Paper Code GE105) the file name will be: C95/MCM/123456_GE105
8. Submit your answer scripts in pdf. format within the stipulated time through designated email id given to you.
9. Preserve your answer scripts in soft as well as hard-copy form of all the papers of your examination.

2020

COMMERCE

Paper: GE-105: International Business

(Full Marks -40)

The figures in the margin indicate full marks

Candidates are required to give their answers in their own words as far as practicable

Time: 2 Hours

Duration of Examination: 12noon to 2pm

Module I

Answer any two questions.

1. (a) What are the sources of demand for foreign exchange? With the help of diagram show the demand curve of foreign exchange for each of the sources of demand.

(b) An Indian exporter having invoiced goods in US dollar to an American importer does not have instant access to sufficient credit facilities but wants to cover his exchange risks. How does he go about it? (3+5) + 2

2. (a) Explain briefly the system of Managed Float.

(b) Mr. A has Rs. 1,00,000 to speculate his position. The direct quotations of Indian rupee to US dollar, US dollar to British pound and Indian rupee to British pound are 70.02/\$ (\$1=Rs.70.02), \$1.3/£ (£1 = \$1.3) and Rs. 102/£ (£1 = Rs. 102) respectively. Calculate the profit (round it off to the nearest rupee) he can make through triangular arbitrage.

(c) Explain how the fluctuation in exchange rate impacts the import and export of a domestic country.

(d) Explain with example the meaning of accommodating transaction in BOP accounting.

3+3+2+2

3. (a) Indicate the relationship among Merchandise Trade Balance, Balance of Goods and Services and Current Account Balance with an example.

(b) Define location and internationalization advantage in the context of Dunning's OLI framework.

(c) Write a short note on SAARC?

3+4+3

4. Argue with reasons whether the following statements are correct or incorrect.

- (a) If a resident of Japan buys some debenture of an Indian company, it is a foreign direct investment of Japan.
- (b) FDI is considered as indirect means of doing international business.
- (c) One US dollar was previously sold for Rs. 73 and is now sold for Rs. 71. Thus, rupee has become stronger *vis-à-vis* US dollar.
- (d) If depreciation of dollar against rupee is expected in a big way, an Indian exporter of goods will show neither a lead nor a lag behaviour (Goods are assumed to have been invoiced in dollar)
- (e) The Balance of Payments is always in equilibrium.

2×5

Module II

Answer any two questions.

5. (a) Draw an efficiency frontier for companies operating in automobile industry in the context of international business strategic positioning. What are the reasons behind the shape of this efficiency frontier?

(b) Differentiate between licensing and franchising. Also mention one advantage and one disadvantage of licensing.

(4+2)+(2+2)

6. (a) Elucidate the role of 'Demand Conditions' and 'Chance' factors in determining the national competitive advantage with reference to Michael Porter's diamond model. What are the major inherent lacunae of this model?

(b) Elucidate the significance of 'Perspective' and 'People' in the 10-P framework of global strategic management.

(2+2+2) + (2+2)

7. Examine the validity of the following statements with proper reasons.

(a) In the context of the 3-D Theory of Global Competitiveness Alignment low country factors, high organizational competence, and low individual talent and skill will lead towards brain drain.

(b) Cultural Control is envisaged through direct sanction of behaviours of immediate subordinate of a subunit in an MNC.

(c) An early entrant into a foreign market will always enjoy first-mover advantages in that market.

(d) When individual's contribution to organization's purpose is substantial but organization's competencies and strategic capabilities are marginal it leads to parasitic relationship.

(e) As per international structural stages model of Stopford-Wells a firm should adopt international division as an alternative path for development in international business.

2×5

8. Write short notes on (any two)

(a) Global Matrix Structure

(b) Types of Staffing Policy

(c) Formal Integrating Mechanism

(d) Global Value Chain Analysis

5+5