

2021**TWO YEAR M. COM. SEMESTER 1 EXAMINATION***(New Syllabus under CBCS)***Instructions for Examinees from Affiliated Colleges***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 2 P.M.)**
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 **full 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 **017/MCM/123456** for fifth paper **(Paper Code GE105)** the file name will be: **017-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

2021**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 Hour****Duration of Examination: 12noon to 2pm****Module - I**Answer *any two* questions.

1. (a) Briefly explain the sources of supply of foreign exchange in a particular country.

(b) What is Arbitrage?

(c) Explain the impacts of currency appreciation of home currency.

(d) Explain the principles under which SAARC was founded. [3 + 2 + 2 + 3]

2. (a) Mr. Akash is an Indian exporter who deals with US dollars regularly. Last month the exchange rate between US dollars and Indian Rupees was Rs. 74.5/\$. If US dollar appreciates with respect to Indian Rupees, then what will happen to the exports of Mr. Akash?

(b) During the financial year 2020-21, the international transactions of India are as follows:

- Export of merchandise: \$296300 million
- Import of merchandise: \$398452 million
- Invisible trade (F → H): \$206090 million
- Invisible trade (H → F): \$117524 million
- Unilateral transfers (F → H): \$80185 million
- Unilateral transfers (H → F): \$5746 million

Calculate the following and explain the relationships among them: (i) Balance of Trade; (ii) Balance of Invisible Trade; (iii) Balance of Unilateral Transfers; (iv) Balance of Goods and Services; (v) Current Account Surplus/Deficit

(c) Discuss briefly about the mechanism of narrow and wide band of fluctuation exchange rate system. [2 + 5 + 3]

3. (a) Which type of operators in a foreign exchange market apprehends a weak domestic currency vis-à-vis any particular foreign currency? How does the operator ensure security against this apprehension when the operator does not have any loan facility or adequate cash possession?

(b) Is it possible for a country to experience deficit trade balance despite surplus current account in the Balance of Payments (BOP)?

(c) If the price of crude oil increases in international market, then what could be the impact on BOP position of India?

(d) Consider the following rates of foreign exchange for dollar:

Spot (rupee per dollar)	73.50 - 73.70
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2 months forward (rupee per dollar)	72.40 - 72.60
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Find which currency is at premium and to what extent. [3 + 2 + 2 + 3]

4. (a) How does a Multinational Company (MNC) overcome its disadvantages while setting up its subsidiaries abroad?

(b) If there is a massive outflow of FPI from India. What will be impact on the exchange rate? (Assume all the other factors to be unchanged)

(c) Argue with reasons whether the following statements are correct or incorrect.

(i) Tariffs, transport cost and quotas are examples of internalization advantage.

(ii) BOP always balances and in equilibrium. [4+ 2 + (2 + 2)]

Module - II

Answer *any two* questions.

5. (a) From the perspective of a globally successful Personal Computer (PC) manufacturing company how would you analyze its global value chain? Elucidate diagrammatically along with identifying its probable core and non-core activities.

(b) What are the underlying objectives of preparing global competitiveness alignment matrix? Discuss its various elements. [(4+2) + (1+3)]

6. (a) According to Yip how 'Cost Drivers' and 'Government Drivers' can create pressure for globalization for a particular industry?

(b) Explain the concept of a turnkey project. Mention one advantage and disadvantage each of such a project. [(3+2) + (3+2)]

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

(a) According to universally accepted Porter's Diamond theory host country's demand conditions are responsible for creating national competitive advantage.

(b) The disadvantages associated with a late entrant into a foreign market may give rise to pioneering costs.

(c) As per 3-D Theory of Global Competitiveness Alignment matrix high country factors, low organizational competence, and high individual talent and skill will lead towards few isolated cases of organizational excellence.

(d) According to Linder's Country Similarity theory, the companies that develop new products for the domestic markets prefer to trade to those countries that are yet to reach that level of development

(e) Level of performance ambiguity and cost of control thereon for the firms pursuing international strategy is lowest. [2 + 2 + 2 + 2 + 2]

8. Write short notes on *any two*.

(a) Central Core factors in 10-P Model of Global Strategic Management

(b) Fit between Global Strategic Positioning and Organizational Structural Dimensions

(c) Geocentric Staffing approach [5 + 5]