


Name:	 UPES <small>UNIVERSITY OF TOMORROW</small>
Enrolment No:	

UPES		
End Semester Examination, December 2023		
Program: MBA O&G	Semester: III	
Course: International Business Management	Time : 03 hrs.	
Course Code: INTB8003	Max. Marks: 100	

INSTRUCTIONS:

- *This is a CLOSED-BOOK EXAM. Only Non-scientific calculator is allowed.*
- *Smart watches/ Earbuds / Cellphones / Tablets / Laptops / Books / Notes etc. are STRICTLY NOT allowed.*
- *All questions are compulsory. Your answers must be “brief & to the point.”*

SECTION A
10Qx2M=20Marks

S. No.		Marks	CO
Q 1	<p>1. The trade theory that says a country should export more than it imports is known as _____.</p> <p>A) mercantilism B) absolute advantage C) comparative advantage D) import substitution</p> <p>2. Which of the following is the MOST accurate statement about culture?</p> <p>A) Cultural variables can easily be isolated from other factors such as economic and political conditions. B) Although most cultural variables are universal, the forms these variables take differ from culture to culture. C) Most cultural variables are superficial and can easily be influenced by environmental factors. D) Within a culture, everyone responds to particular cultural variables the same way.</p>	10x2=20	CO1

3. Which of the following has NOT been a major force increasing globalization in recent decades?

- A) liberalization of cross-border trade
- B) increase in and expansion of technology
- C) growing pressure from consumers
- D) decreasing prices of natural resources

4. Assume the following conditions: In the United States it takes 4 units of resources to produce a ton of potatoes and 5 to produce a ton of coal. In Canada it takes 6 units of resources to produce a ton of potatoes and 10 to produce a ton of coal. According to the theory of comparative advantage, _____.

- A) there would be no basis for trade
- B) the United States should import potatoes from Canada and export coal to Canada
- C) the United States should export both potatoes and coal to Canada
- D) the United States should export potatoes to Canada and import coal from Canada

5. The trade theory that says countries should concentrate production on those products using their most abundant production factors is the _____.

- A) factor proportions theory
- B) theory of comparative advantage
- C) theory of absolute advantage
- D) theory of nontradable goods

6. The owner of a U.S. football team and the owner of a Canadian hockey team purchase a British soccer team. This is an example of a _____.

- A) royalty
- B) portfolio investment
- C) turnkey operation
- D) joint venture

	<p>7. The ownership of foreign bonds is an example of a portfolio investment.</p> <p>A) True B) False</p> <p>8. Which type of exchange rate arrangement is based on supply and demand?</p> <p>A) soft peg B) hard peg C) crawling D) floating</p> <p>9. Which of the following countries has the greatest amount of foreign-exchange reserves in the world?</p> <p>A) China B) Ireland C) Russia D) Taiwan</p> <p>10. A country's central bank is responsible for _____.</p> <p>A) distributing money to foreign countries that are in a debt crisis B) encouraging disorderly conditions in foreign-exchange markets C) the policies affecting the value of its country's currency D) establishing foreign-exchange markets</p>		
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SECTION B
4Qx5M= 20 Marks

Q 2.	(i) What is the theory of mercantilism, and what are its limitations?	5	CO2
	(ii) What do you understand by balance of trade, and favorable and unfavorable balances of trade as they apply to international business?	5	CO2
	(iii) What is the difference between international trade and international business?	5	CO2
	(iv) What is 'hedging'? Give an example of 'hedging' with reference to an export transaction?	5	CO2

SECTION-C				
3Qx10M=30 Marks				
Q 3.	(i)	Explain Michael Porter's 'Diamond Model' of National Competitive Advantage regarding the global /international trade.	10	CO3
	(ii)	What are some of the key motivations for firms to engage in international business?	10	CO3
	(iii)	What are the different ways (or "modes") of trade in services under GATS, give at least one example of each mode where India is the provider of the services?	10	CO3
SECTION-D				
2Qx15M= 30 Marks				
Q 4	<p>There is a saying that when the United States sneezes, the rest of the world catches a cold. But what happens when China is unwell?</p> <p>The world's second-largest economy, home to more than 1.4 billion people, is facing a host of problems - including slow growth, high youth unemployment and a property market in disarray. Foreign businesses have been pulling money out of China at a faster rate than they have been putting it in. The country's slowing economy, low interest rates and a geopolitical tussle with the US have sparked doubt about its economic potential. "Anxieties around geopolitical risk, domestic policy uncertainty and slower growth are pushing companies to think about alternative markets," says Nick Marro from the Economist Intelligence Unit (EIU).</p> <p>Given the global interconnectedness of businesses, analyse the likely effect the Chinese crises can have on India's foreign trade, investment, and overall economic development, identifying the specific industries/ sectors.</p>		15	CO4
Q 5.	<p>FLASHY TEMPORARY pavilions in Munich's city centre displaying the latest models from BMW, Mercedes-Benz and Volkswagen were the public face of IAA Mobility, Germany's biennial motor show, which ended on September 10th. German automotive might was less in evidence in the show halls a few miles away, where the Chinese electric vehicles (EVs) that are making inroads in Europe vied for attention and floor space. The fear of a flood of well-made, decently styled and better-value EVs from the east outcompeting those from Europe's established carmakers has now jolted the EU's lawmakers into action. The president of the European Commission announced that the Commission would investigate subsidies given to Chinese makers of electric vehicles, which have "flooded" global markets. European manufacturers of EVs were being undercut by state subsidies in China, she said.</p> <p style="text-align: right;"><i>...The Economist, 15th September 23</i></p> <p>In the context of the above case, identify and analyze the unfair trade practices which distort market competition and discuss the provisions to curb such practice under WTO norms.</p>		15	CO4