

(DBUS40)

Total No. of Questions : 8]

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M.B.A. DEGREE EXAMINATION, DEC - 2016

(Third Year)

D-INTERNATIONAL MANAGEMENT

International Business

Time : 3 Hours

Maximum Marks : 75

SECTION– A

(3 x 5 = 15)

Answer any 3 of the following

- Q1)** a) Objectives of International Business.
b) Need for strategic planning.
c) Benefits of control system.
d) Regional Trade.
e) Advantages of MNC.
f) Strategic consideration.

SECTION–B

(3 x 15 = 45)

Answer any 3 of the following

- Q2)** Explain the comparative cost theory of International trade.
- Q3)** What is the process involved in strategic planning?
- Q4)** Write a note on measurement and evaluation of performance.
- Q5)** Explain the need for HRM in MNCs.
- Q6)** Write a note on SAARC countries.

Q7) What are the advantages and disadvantages of international business?

SECTION-C

(15)

(Compulsory)

Q8) Case Study:

Siemens AG is a global electrical and electronics business with a turnover of £53 billion. The business employs over 450,000 people. The company base is in Munich, Germany. In the UK, Siemens plc has its headquarters in Bracknell, Berkshire and has more than 100 offices and factories. It employs more than 21,000 staff, 5,000 of these in manufacturing. The UK business has a turnover of more than £3 billion and contributes £96.2 million profit to the group. Siemens contributes significantly to the UK economy and provides a huge variety of jobs. Siemens is multinational. It operates across 190 separate nation states. For Siemens it is not efficient to design and manufacture all products in all countries. It is more efficient to concentrate manufacturing to keep economies of scale through specialisation. Products can be shipped anywhere within the group. One danger of being multi-national is the thread caused by currency fluctuations. The price of products supplied from one place to another can vary because of currency changes.

Using its worldwide presence, Siemens aims to meet the needs of a range of global markets. All its companies report to the German parent company. To deliver value to the overall group, each separate business must meet the needs of its own customers, wherever they are. There are thirty businesses within Siemens in the UK. This figure is constantly rising as Siemens strengthens its UK portfolio as it acquires more businesses. Each operates to achieve targets for growth and profit. To do this best requires an understanding of local needs and culture. Its businesses in the UK have freedom to decide how best to meet local needs. Siemens employees based in the UK share their customers' culture. Its group's focus is to 'think customer'. As a result, customers benefit from working with Siemens. Within every global business there is competition between countries for investment. Siemens has established global 'centres of excellence' that can serve the specialist needs of the entire group. In the UK Siemens works within a new global strategy, 'Siemens One'. In all activities, customers can call upon the potential of other Siemens groups. If one does not possess a skill, another will. Siemens helps businesses concentrate on what they do best, e.g. in media and broadcasting, Siemens has a 10-year deal to provide broadcast and IT services to the BBC. They develop their 'core

competency'. To raise standards of service, Siemens employs on-site contract managers to look after customer relationships and technology. This means that each customer's requirements are unique. There is not an off-the shelf solution for all. There is an individual response to need, based on detailed interaction with a customer.

Questions:

- a) What is the key to success of a multinational like Siemens?
- b) What challenges does a multinational face?



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M.B.A. DEGREE EXAMINATION, DEC - 2016

(Third Year)

D-INTERNATIONAL MANAGEMENT

International Financial Management

Time : 3 Hours

Maximum Marks : 75

SECTION– A

(3 x 5 = 15)

Answer any 3 of the following

- Q1)** a) Balance of payments.
b) Objectives of international financial management.
c) Arbitrage.
d) Forex markets.
e) Parallel loans.
f) Equilibrium exchange rate.

SECTION–B

(3 x 15 = 45)

Answer any 3 of the following

- Q2)** What are the aspects of world economy which have given importance to international financial management?
- Q3)** How to manage accounting and transaction exposures? Explain.
- Q4)** What are the objectives and drawbacks of long-term financing?
- Q5)** Write a note on IMF functioning.
- Q6)** Explain forex regulation and control.

Q7) How do you forecast exchange rate? Explain.

SECTION-C

(15)

(Compulsory)

Q8) Case Study:

A US multinational is planning to set up a subsidiary in India. The initial project cost is estimated to be US \$ 10 billion. The working capital requirement would be Rs. 2 billion. The project is to generate a cash inflow of Rs. 7 billion/year in first 3 years and then a growth of 5 percent per year is expected upto the 8th year. Thereafter, there will be a decline of 7 percent in growth per year and the project will be closed down at the end of 12 years. Consider a discount factor of 12 percent and depreciation of rupee against dollar at the rate of 1 percent per year. Is the project worth while? Tax rate in India is 35 percent.

Study the project from the point of view of both the US multinational and Indian subsidiary. The current exchange rate is Rs. 45/US \$.



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M.B.A. DEGREE EXAMINATION, DEC - 2016

(Third Year)

D-INTERNATIONAL MANAGEMENT

International Marketing

Time : 3 Hours

Maximum Marks : 75

SECTION– A

(3 x 5 = 15)

Answer any 3 of the following

- Q1)** a) Scope of International markets.
b) Political environment of International business.
c) Export house Vs export broker.
d) Explain marketing mix.
e) Write a brief note on market selection process.
f) International Marketing Manager.

SECTION–B

(3 x 15 = 45)

Answer any 3 of the following

- Q2)** Explain International marketing and its merits.
- Q3)** Describe the documents required for exporting.
- Q4)** Explain the cultural and social environment of International business.
- Q5)** Write a note on distribution and sales policy with regard to international marketing.
- Q6)** What are the advantages and disadvantages of International market segmentation?

Q7) Explain the importance of packaging in International marketing.

SECTION-C

(15)

(Compulsory)

Q8) Case Study:

Vits Foods Pvt. Ltd. Manufacture biscuits, chocolates and drinking chocolates. They started business sixty years back in the small scale. By hard work the company has reached the present level of turnover at Rs. 300 lacs.

Against the large scale competition from ‘Cadbury’, ‘Britania’ and ‘Parle’ the company has performed well. The prime consideration is given to the quality of the product. It has, however, been noticed that company is yet to accept the concept of professional management fully. The company should do even better than what they are doing presently but for the inadequate marketing strategies. Mr. R. Mishra Marketing Manager was thinking of making a big entry into the markets for ‘food drinks’. For last one year or so, he was noticing the high pitched advertisements coming on T.V. from such brands Boost, ‘Complan’ and ‘Nutramue. He was particularly impressed by the advertisement approach used by the latter. Mr. R. Mishra, however, felt that he must offer some new concept in the product formulation as against the traditional one. In his own family as well as others he had found that the present product in granule or powder form posed quite a few problems. The main one was that of spoilage if a wet spoon is used. The product used to get solidified. Using a can for packaging also increased the cost. In consultation with his R and D Manager, Mr. K. Mishra; he was contemplating the development of food drink in a paste form. This should be offered in plastic or aluminum tube.

Questions:

- a) How would you test this concept for acceptability?
- b) How would you position this product in the Market?
- c) Do you think this new concept in product formulation will meet consumer acceptance?

