

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

**School of Business**  
**Bachelor of Business Administration**  
**Mid Term Examination - May 2024**

**Duration : 90 Minutes**  
**Max Marks : 50**

**Sem IV - D1UA423T - International Business**

General Instructions

*Answer to the specific question asked*

*Draw neat, labelled diagrams wherever necessary*

*Approved data hand books are allowed subject to verification by the Invigilator*

- 1) Examine the ramifications of varying political systems in different countries on the landscape of international business. K3 (6)
  
- 2) ABC Ltd (MNC) is expanding its operations into a new country, where it has encountered significant cultural differences in the workforce. The MNC employs a matrix organizational structure, which allows for both functional and geographical divisions. This structure enables better coordination across different departments and regions but can also lead to complex decision-making processes. In this case, the MNC's management team is faced with the challenge of balancing the need for centralized control with the desire for local autonomy. They decide to implement a hybrid approach, where strategic decisions are made centrally, while operational decisions are delegated to local managers. To address cultural considerations, the MNC adopts a participatory management style, encouraging input from employees at all levels. This approach helps to foster a sense of ownership and commitment among the workforce, leading to better performance and higher employee satisfaction.  
Q- Identify the management practices employed by ABC Ltd encompassing organizational structures, decision-making processes, and cultural considerations. (5)  
Q- How do ABC Ltd modify their management practices to effectively operate on a global scale? (4) K3 (9)
  
- 3) Examine the comparison suggesting that international business, like the saying 'every coin has two sides,' entails both benefits and drawbacks, reminiscent of the concept of 'pros and cons' within its sphere. K4 (4)

- 4) The case of Country X provides a practical illustration of how mercantilist principles are applied and remain relevant in today's international trade landscape. As a developing nation grappling with the challenges of global competition, Country X has adopted mercantilist strategies to bolster its economic growth and ensure national prosperity. Firstly, the government focuses on promoting exports by offering subsidies, tax incentives, and investing in infrastructure to support export-oriented industries. Secondly, it imposes tariffs, quotas, and trade barriers to protect domestic producers from foreign competition, thereby fostering self-sufficiency albeit at the expense of consumer choice and efficiency. Thirdly, Country X prioritizes the accumulation of foreign reserves, particularly precious metals, through trade surpluses and currency manipulation to strengthen its economic power on the global stage. Finally, the nation pursues policies to maintain a favourable balance of trade, aiming to enhance national wealth and stimulate economic growth, despite potential tensions with trading partners.

K4 (8)

Q-In the above case examine the enduring relevance of mercantilist principles in shaping trade policies, especially for developing countries striving to achieve economic development and competitiveness in the global economy.

- 5) Country A and Country B both produce wheat and cars. In Country A, it takes 10 hours to produce one unit of wheat and 20 hours to produce one car. In Country B, it takes 15 hours to produce one unit of wheat and 30 hours to produce one car

K4 (8)

Q- According to the principle of comparative advantage find the advantageous goods for country A and Country B, also Compare mercantilism theory and classical theories of international trade.

- 6) Explain the potential drawbacks or limitations of relying solely on comparative cost advantage for trade decisions.

K5 (5)

7) XYZ Inc., a multinational corporation operating across several countries worldwide. In its quest for expansion and growth, XYZ Inc. must navigate through the intricacies of each market it enters. To formulate effective international business strategies, XYZ Inc. conducts meticulous assessments of the political environment to identify potential risks and establish government relations for regulatory compliance. Moreover, XYZ Inc. employs flexible pricing strategies and supply chain optimizations to navigate economic uncertainties, while also collaborating with local legal experts to ensure adherence to diverse legal frameworks. Recognizing the importance of cultural nuances, XYZ Inc. invests in cultural intelligence training and tailors its marketing strategies to resonate with local preferences, thus enhancing its brand reputation and customer relationships. By conducting comprehensive market analyses and leveraging market insights, XYZ Inc. tailors its product offerings and distribution channels to each market's unique dynamics, thereby strengthening its competitive advantage and fostering sustainable growth globally.

Q1- Determine the global economic environment, differences in political, economic, legal systems, and variations in culture, values, and norms, analyze how XYZ Inc. can formulate effective international business strategies to thrive in diverse markets. Also recommend for navigating challenges posed by these differences in the pursuit of sustainable global success." (5)

Q2- How does XYZ Inc. utilize political assessments and government relations to mitigate risks and ensure regulatory compliance in the various countries where it operates? (5)