



## P.E.S. College of Engineering, Mandya - 571 401

(An Autonomous Institution affiliated to VTU, Belagavi)

**Second Semester, Master of Business Administration (MBA)**

**Semester End Examination; June - 2017**

**International Business Management**

*Time: 3 hrs*

*Max. Marks: 100*

*Note: Answer all **FOUR** full questions from **PART - A** and **PART - B** (Case study) is compulsory.*

### PART - A

- 1 a. Define globalization. Explain the advantages and disadvantages of globalization. 10  
 b. Explain; 10  
     i) Collectivism and individualism      ii) Democracy and Totalitarianism.

OR

- 2 a. Why does understanding culture become very important international business? 10  
 b. International business has lead to ethical issues in developing and underdeveloped countries. Discuss. 10
- 3 a. Explain Mercantilism. Throw light on absolute advantage and comparative advantage of international trade. 10  
 b. Discuss Porter's diamond factor endowments. 10

OR

- 4 a. Explain the role of subsidies, import quotas, voluntary export restraints on international business. 10  
 b. Keeping the objectives of WTO in mind, what is the future of WTO? 10
- 5 a. What is economic integration? What are the advantages and disadvantages? 10  
 b. Discuss your thoughts on European union. 10

OR

- 6 a. Explain the function of IMF. 10  
 b. Explain the global standardization and localization strategies with suitable example. 10
- 7 a. Explain the different entry strategies to international markets. 10  
 b. Explain the different theories of exchange rate determination. 10

OR

8. Write short notes on the following: 20  
     i) Determinants of economic growth  
     ii) Investor psychology and Band wagon effects.

**PART - B (Compulsory)**9. **Case Study:**

Ramamurthy is a successful agriculturist from the Uttar kannada district of Karnataka. He is into the cultivation of arecanut. For the past few years he is into manufacturing of areca nut planes and bowls. As plastic is being banned in the country, the demand for his products is increasing. From reliable sources, he has understood that his product has demand abroad also. Ramamurthy is now in search of opportunity to export his products.

- i) Is it a good idea to enter international market when the domestic market itself is expanding? Yes / No, Justify.
- ii) If Ramamurthy decides to enter international markets, What are the preparations to be done by him?

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