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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; May/June - 2018

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 different types of Economics. 10

OR

- 2 a. Explain the role of culture plays in international business. Why do you feel understanding culture is important? 10
 b. Discuss the roots, forms and types of unethical practices in international business. 10
 3 a. Explain Mercantilism. Throw light on absolute advantage and comparative advantage of international trade. 10
 b. Discuss Ricardian model and Heckscher-Ohhlin theory. 10

OR

- 4 a. Briefly explain the role of political economy of international trade. 10
 b. Discuss the future of WTO. 10
 5 a. Discuss the future of BREXIT on EU. 10
 b. Explain the regional trade blocks of Africa. 10

OR

- 6 a. Explain the nature of Foreign Exchange Market. What is currency conversion? 10
 b. Explain the financial crisis of 1985 and the Asian crisis. 10
 7 a. Explain the basic entry strategies to international markets. 10
 b. Explain global standardization strategy and localization strategy. 10

OR

8. Write short notes on :
 a) Firm as a value chain
 b) The Role of IMF
 c) Investor psychology and Band wagon effects
 d) Determinants of economic growth 20

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

Bhutan, a small country land locked between India and China, it is one of the hottest tourism destinations of the world. This country has a forest cover of 66% and considered to be one of the peaceful places in the world. Bhutase are considered to be the happiest people in the world and they measure Gross Happiness Quotient. More than 2 lakh tourists visit Bhutan in a year and the government earns millions of dollars from tourism.

Bhutanese have a clear understanding on the environmental hazards that tourism can bring into a country, hence they follow the principal of 'high Quality tourism'. Daily traiff of \$ 250 is charged on the foreign nationals at bhutan. It is belived that the tourist inflow in under check and helps the country to sustain its resources. The Bhutanese currency is pegged to indian currency and its value is same as that an indian currency.

The daily tariff and Visa charges of Bhutan are exclusive of other charges and taxes. The daily tariff is a widely discussed issue on the net by tourists intending to tour Bhutan. There are people who are for and against the tariff.

Questions :

- a. Is daily Tariff justified? What is your view?
- b. What could be the advantages and disadvantages of high quality tourism principle?
- c. Pegging Bhutan currency to Indian currency, is it a good idea? Are there any alternates?
- d. Being happy should be the goal of life event at the cost of economic growth. Do you agree with this philosophy of Bhuthanese tourism.

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