

MANAGEMENT PROGRAMME

Term-End Examination

December, 2015

MS-97 : INTERNATIONAL BUSINESS

Time : 3 hours

Maximum Marks : 100

(Weightage : 70%)

Note : Attempt any five questions; all questions carry equal marks.

1. (a) Compare and contrast between Theory of Absolute Cost Advantage and Theory of Comparative Cost Advantage.
(b) "Strategic alliances have emerged as one of the important means of entering into foreign markets". In what ways is this method better than other methods of gaining entry into foreign markets ?
2. Historically speaking, organization structures of international businesses have evolved over the years into different kinds of patterns. Discuss different stages of evolutionary patterns with the help of suitable examples.
3. (a) "The decision as to how much should be delegated to subsidiary managers would depend upon several factors." Discuss these factors.

- (b) "International projects often suffer from time and cost overruns." How can these overruns be avoided or minimized ? Explain.
4. (a) Promotion policy of managerial staff in MNEs is influenced by several factors. Describe these factors with relevant examples.
- (b) A multinational enterprise may seek to make all of its inputs (called backward integration) at one extreme to buying virtually all the needed inputs from its suppliers at the other extreme. What factors would influence this decision ? Discuss.
5. Describe the stages of cross-cultural negotiation process from relationship building to actual agreement. How such negotiations are influenced by the cultural characteristics of different nationalities ?
6. (a) Why is the need for multilateral intervention felt in international trade and business ? What institutional framework has been evolved ?
- (b) What logistics functions are involved in international business ? How the same are managed ?

7. Explain **any four** of the following :
- (a) Flexible Manufacturing Systems
 - (b) Environmental volatility and international business
 - (c) International trade in services
 - (d) Globalization of business and its implications for international trade
 - (e) Theory of Mercantilism
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