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Name.....

Reg. No.....

THIRD SEMESTER M.B.A. DEGREE EXAMINATION, JANUARY 2014

MBA 3.3—INTERNATIONAL BUSINESS

(2010 admissions)

Time : Three Hours

Maximum : 36 Weightage

Answer all sections.

Section A

Answer all questions.

Each question carries 1 weightage.

1. Define MNC.
2. What is centralized organizational structure in International business ?
3. What is Green field investment ?
4. Define ethnocentrism and geocentrism.
5. Define "Free Trade area".
6. Name some global companies.

(6 × 1 = 6 weightage)

Section B

Answer any six questions.

Each question carries 3 weightage.

7. Discuss the economic arguments for government intervention in Trade policies.
8. Discuss the different levels of economic integration.
9. Explain international marketing strategy.
10. What are the factors that restrict location in International business ?
11. List out the determinants of culture.
12. What are the business entry strategies ?
13. Discuss global business control.
14. Explain the Mercantile theory.

(6 × 3 = 18 weightage)

Turn over

Section C

*Answer Question 17 and any one of the other two.
Each question carries 6 weightage.*

15. Discuss the importance of social and cultural factors in international business.
16. Describe different entry strategies of business.
17. Read the case and answer the questions given at the end :

The Star Corporation is a Hongkong based manufacturing firm that is going to do business in mainland China. The company's contract with Chinese government calls for it to supply technical knowhow and machinery for producing consumer electronics. These products are not state of the art, but they will be more than adequate for the need of the Chinese customers. Star has agreed to sell the Chinese its plant, which was being closed because it was no longer competitive.

The Chinese will pay to move all the machinery and equipment to their country and install it in a factory that is currently being modified for this purpose. The two will then become partners in the venture. Star will provide the management and technical expertise to run the plant and the Chinese will provide the workers and will be responsible for paying for all the output. Star will receive an annual fee of \$3 million and 5 % of all the sales.

The star management is very pleased with the arrangement. Although they are of Chinese descent, they have lived in Hong-Kong all their lives and know relatively little about doing business either or within China. To provide Star with necessary information and assistance a native of China, educated there but living in Hongkong the past 5 years, was brought in. The individual told the company the facts about China.

- Chinese managers do not plan. They are usually told what to do and they do it. Planning is handled by others and simply passed on to them.
- Chinese managers are not concerned with profit or loss. They simply do their jobs and let the government worry about where the operation is making money.
- No rewards are given to workers who perform well. Everyone is treated the same. If there is no work the workers are still paid although they may not be required to come to the factory.
- There is a basic aversion to individual decision making. Most decisions are collective efforts.
- When outsiders tell Chinese how to do things, they have to be careful not to insult or offend the Chinese who are often sensitive about the way they are treated.

Questions :

- (a) Why is understanding of culture important in communication and negotiation ?
- (b) Explain how a typical Chinese thinks and acts.
- (c) What selection criteria would you recommend to Star when deciding whom to send to China ?

(2 x 6 = 12 weightage)

