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School of Business

Integrated Bachelor of Business Administration - Master of Business Administration
Semester End Examination - Nov 2023

Duration : 180 Minutes
Max Marks : 100

Sem IX - MSB21T2004 - 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) Define Free Trade Area (FTA). K1 (2)
- 2) Explain the assumptions of Dunning Eclectic theory. K2 (4)
- 3) “The difference of factor endowments among the nations is the basis of international trade.” Explain. K2 (6)
- 4) Identify the management practices of MNCs, including organizational structures, decision-making processes, and cultural considerations. How do MNCs adapt their management practices to operate globally? K3 (9)
- 5) Identify the economic, social, and environmental challenges that arise from MNC operations in developing countries K3 (9)
- 6) Compare and contrast Dunning's Eclectic Theory with the Product Life Cycle theory. K5 (10)
- 7) Examine the role of intellectual property rights (IPR) protection in international business. How do legal frameworks and international agreements safeguard intellectual property in cross-border transactions? Explain K4 (12)

8) **Read the below case study and answer the question.**

K5 (15)

The efforts of Government of India to pursue Indian value system and promote Indian culture at global level bear the fruits when the UN General Assembly endorsed an India-led resolution to declare June 21st as International Day of Yoga. It is worthwhile to note that Indian motion is co-sponsored by around 175 nations, which is the highest ever number for any General Assembly resolution. The introduction of Yoga to the world has been from the ancient times but its formal acceptance at UN platform vindicates the growing clout of Indian culture at world level, sweeping the global lifestyle canvas in Indian way of living, a Yogic way of living which offers both the tangible and unseen benefits to mankind. Yoga now has universal appeal to the people around the world. In India's drive of cultural globalization, Yoga is in fact, an invaluable gift of India's ancient tradition to the entire mankind to explore spiritual, emotional, intellectual heights and tap the innate potential of one's strengths. Yoga is a divine gift which embodies the unity of mind and body; thought and action; restraint and fulfilment; harmony between man and nature; a holistic approach to health and well-being. Yoga is not mere a physical exercise but is a medium to discover the sense of oneness with yourself, the world and the nature. Globalization of Yoga to world level helps the entire mankind to change their lifestyle and create consciousness, help deal with global problems of terrorism, climate change and drug-trafficking as Yoga preaches reticence and sacrifice from worldly affairs. Yoga offers great business opportunity to India. According to Allied Market Research, the global market size of Yoga services is valued at \$37.5 billion in 2019, and it is further likely to grow to \$66.22 billion by 2027. Another estimate says it is likely to be \$ 100 billion market and Indian teachers of Yoga can tap a huge business opportunity from this growing market in the world. Yoga market is mushrooming in western developed countries of Europe and North America. By country, the US is the largest market. Yoga is getting popular in Asia-Pacific. Accordingly to one estimate that Yoga teachers from India are high in demand in countries of Europe, the US and Asia-Pacific. In addition to globalizing Indian culture at world stage, choosing Yoga as a career is a sound decision as it offers prosperous life in the countries such as the US, Europe, China, Vietnam and Australia. Demand for yoga equipment grew by 154% during the COVID-19 pandemic (Research and Markets, 2020). There is shortage of Yoga teachers at world level, and it is estimated that globally there is need of 1 million Yoga teachers as the number of people who are practicing yoga are ever-increasing in the world. Yoga is not a mere meditation, it in fact is a life fulfilling practice based on science. In this context, Yoga as a career is a good professional choice for international assignments. India being service economy has great opportunity to tap, thanks to cultural globalization through the declaration of June 21st, as the International Day of Yoga.

Questions

1. Explain 'Globalization of Yoga' from the above case study.
2. Explain how India has great opportunity to tap.
3. Explain the concept 'cultural globalization from the above study.
4. Determine the drivers of globalization as discussed in the case study.

9) **Read the below case study and answer the question.**

K5 (15)

This case study explores the expansion journey of XYZ Pharma, a fictional multinational pharmaceutical corporation, into emerging markets. Facing competition and saturation at home, XYZ Pharma seizes growth opportunities abroad. After rigorous market analysis, it selects Country A in Asia and Country B in Latin America as potential targets. In its expansion, XYZ Pharma encounters cultural nuances and regulatory challenges. Customized marketing and product localization strategies are employed to address varying patient preferences and compliance requirements. Strategic partnerships with local pharmaceutical companies provide essential market insights and regulatory expertise. Supply chain optimization is prioritized, with local manufacturing facilities established to enhance efficiency and accessibility. XYZ Pharma also balances ethical responsibilities by investing in disease awareness campaigns and community engagement. The outcome is positive: XYZ Pharma successfully establishes a presence in both Country A and Country B. Its commitment to adaptation, collaboration, and responsible practices contributes not only to its growth but also to the well-being of host countries. The case study underscores the strategic importance of MNCs' international expansion and highlights the significance of cultural awareness, regulatory compliance, and ethical responsibility in ensuring success and sustainability. **Questions:**

1. Explain the main motivations for XYZ Pharma's expansion into emerging markets. How did the company's competitive challenges and growth prospects influence its decision to explore international markets?

2. Assess the impact of XYZ Pharma's strategic partnerships with local pharmaceutical companies in its expansion into Country A and Country B. How did these partnerships contribute to the company's market entry, growth, and overall success in these new markets?

3. Decide a comprehensive strategy for XYZ Pharma to effectively manage the cultural and regulatory challenges it encountered during its expansion into Country A and Country B. How can the company simultaneously adapt its marketing approach and navigate diverse regulatory frameworks while ensuring compliance and success in these markets?

4. Formulate a comprehensive future outlook for XYZ Pharma based on its expansion into emerging markets. How can the company leverage the lessons learned from its international expansion to further enhance its global presence, innovation, and sustainability in the pharmaceutical industry?

- 10) Discuss the impact of Free Trade Areas and Customs Unions on industries, labor markets, and economic development within member countries. How do these integration forms influence trade patterns, investment flows, and technological transfers? Examine both short-term and long-term effects, considering factors like employment, income distribution, and sectoral shifts.

K6 (18)