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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 - MSB21T5010 - International Trade and Policy

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 Dumping. K1 (2)
- 2) Compare between economic union and common market with the help of suitable examples. K2 (4)
- 3) Compare and contrast the benefits of a customs union and a common market for participating countries. K2 (6)
- 4) Identify the advantages and disadvantages of using a trading house for international business K3 (9)
- 5) Identify the challenges faced by small and medium-sized enterprises (SMEs) when engaging in export processing activities. Develop strategies and support mechanisms that governments and international organizations can implement to foster SME participation in global trade. K3 (9)
- 6) Suppose you are a government official responsible for promoting exports. How would you evaluate the success of export policies in the export promotion? K5 (10)

- 7) **Read the case study and give the answers of the questions given below.** K4 (12)

Indian leather export, an important foreign exchange earner for the country, has been reportedly hit hard by the some major US reatail chains like Eddie Bauer, LL Bean, Timberland and Casual Corner, and a German company Bader to boycott leather good from India in protest against the ill-treatment of animals here. This move came shortly after a decision by global retail chains Gap, Marks & L. Spencer, Liz. Claiborne and J. Crew not to buy Indian leather goods. This development has a lot to do with lobbying by the US-based animal rights group People for Ethical Treatment of Animals (PETA) for a ban on leather goods from India by documenting evidence of 'Cruelty to animals killed for making leather. It has been reported that the overseas firms have officially communicated to the indian outfit of PETA that they will not be sourcing leather products from India until there is strict enforcement of animal protection laws. Following this, the Mumbai-based Teja Industries, the Official supplier of leather goods for Marks and Spencer in India, started outsourcing leather from other countries to manufacture products for the global chain.

Questions:

- (1) In the light of the above identify the implications of social activist groups for business.
 - (2) With reference to this case, Classify the failure of the governments, council for leather exports, and the leather industry and the lessons of this case.
 - (3) Plan the role of government's council for leather exports and the leather industry do to overcome the problems?
- 8) You are the international manager of a U.S. business that has just developed a revolutionary new personal computer that can perform the same functions as existing PCs but costs only half as much to manufacture. Several patents protect the unique design of this computer. Your CEO has asked you to formulate a recommendation for how to expand into western Europe. The alternatives are (a) to export from US (b) to license a European firm to manufacture and market the computer in Europe or (c) to set up a wholly owned subsidiary in Europe. Evaluate the pros and cons of each and suggest a course of action to your CEO. K5 (15)
- 9) Estimate the similarities and differences between Heckscher-Ohlin Theory and the comparative advantage cost theory. Conclude your answer with the help of suitable examples. Imagine country 'A' has vast forests with lots of trees, while another country 'B' has modern factories and skilled workers who can make all sorts of toys and gadgets. Give your opinion on 'how could the Heckscher-Ohlin Theory help explain why A and B might want to trade with each other?' K5 (15)
- 10) Choose a multinational corporation and discuss its international business strategies. Also elaborate how the company has managed cultural diversity, market entry decisions, and international expansion, considering the challenges and opportunities presented in different regions. K6 (18)