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## School of Business

Bachelor of Business Administration  
Semester End Examination - May 2024

Duration : 180 Minutes

Max Marks : 100

### Sem VI - D1UA601T - 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) Identify what role do non-state actors, such as multinational corporations and NGOs, play in shaping the agenda and operations of global institutions? K3 (6)
  
- 2) In light of the ongoing debates surrounding trade liberalization, particularly in the context of emerging economies, consider the multifaceted impacts of trade liberalization policies on various stakeholders. K3 (9)  
Q1. Explore how trade liberalization initiatives, such as free trade agreements or tariff reductions, influence economic growth, job creation, income distribution, and global competitiveness within both developed and developing countries. (05 marks)  
Q2. In the context of emerging economies, how does trade liberalization influence job creation and employment dynamics, taking into account potential shifts in labor markets, skill requirements, and industry competitiveness? (04 marks)
  
- 3) How does the product life cycle impact business strategy? K4 (4)
  
- 4) ABC Corporation, a multinational conglomerate operating in the consumer electronics industry, is exploring strategies to optimize its global operations in accordance with the principles of comparative advantage theory. As the company navigates the complexities of international trade and competition, understanding and applying the concepts of comparative advantage theory are crucial for maximizing efficiency and profitability. K4 (8)  
A) How can ABC Corporation strategically leverage the principles of comparative advantage theory to enhance its global competitiveness and operational efficiency? Consider factors such as labor specialization, resource allocation, and technological innovation in optimizing production processes and supply chain management across diverse international markets. (4 marks)  
B) How does the concept of absolute cost advantage, as proposed by David Ricardo, explain the patterns of international trade, and how is it exemplified in the comparative advantage of countries like China in manufacturing goods? (4 marks)

- 5) Imagine you're the CEO of Nike, a multinational corporation known for its athletic footwear and apparel. With the rapid growth of e-commerce, how would you strategize to enhance Nike's online presence and sales channels globally, while ensuring a seamless and engaging shopping experience for customers across various digital platforms? Consider factors such as customer engagement, digital marketing strategies, e-commerce partnerships, and technological innovations to maintain Nike's competitive edge in the digital marketplace. K4 (8)
- 6) "Considering the multifaceted nature of international business and its impact on global economic development, analyze how multinational corporations (MNCs) strategically navigate cross-border operations to capitalize on emerging market opportunities while mitigating risks associated with cultural, political, and economic differences. K5 (10)
- 7) You are a business strategist of Amazon, advising on leveraging digitalization and e-commerce for global expansion. In a hypothetical scenario, outline how Amazon has successfully utilized digital platforms to penetrate international markets. Discuss Amazon's strategies for overcoming regulatory challenges, tailoring products to diverse consumer needs, and sustaining competitive advantage through digital innovation. K5 (10)

8) **Driving Economic Integration: Caselet of the European Union (EU)** K5 (15)

Introduction:

The European Union (EU) stands as one of the most significant examples of economic integration in modern history. Formed initially as the European Coal and Steel Community in 1951, the EU has evolved into a union of 27 member states, sharing a common market, currency (Eurozone), and policies aimed at fostering economic cooperation and integration. This case study examines the journey of the EU towards economic integration, highlighting real instances of its impact, and raises pertinent questions regarding the challenges and benefits of such integration which also includes few real instances such as -

**Removal of Trade Barriers:** One of the fundamental aspects of economic integration within the EU is the elimination of tariffs and trade barriers among member states. For example, the establishment of the EU Single Market in 1993 facilitated the free movement of goods, services, capital, and people, leading to increased trade and economic growth.

**Common Currency:** The adoption of the Euro as a common currency by 19 EU member states has streamlined financial transactions, reduced currency exchange costs, and promoted price stability and investment within the Eurozone.

**Regional Development Funds:** The EU's Cohesion Policy allocates funds to support the economic development of less affluent regions within the union. Projects funded by these programs have contributed to infrastructure development, job creation, and improved living standards in various regions.

Q1. How does economic integration within the EU impact the competitiveness of member states in the global market, and what strategies can they adopt to maximize the benefits of integration? (07 Marks)

Q2. How do demographic shifts, technological advancements, and geopolitical developments influence the trajectory of economic integration within the EU, and how should policymakers adapt to these changes? (08 Marks)

**Introduction:**

A multinational IT company, Tech Innovate, operates software development teams across various locations worldwide. These teams collaborate on projects, often facing challenges due to cultural differences.

**Scenario:**

Tech Innovate has software development teams in the United States, India, and Japan. The teams frequently collaborate on projects, but cultural differences have led to communication breakdowns, misunderstandings, and inefficiencies. The U.S. team values direct communication and quick decision-making, while the Indian team emphasizes hierarchy and consensus-building. The Japanese team prioritizes harmony and group cohesion, often avoiding confrontation.

a) What strategies can the team leader employ to bridge communication gaps and ensure that all team members feel heard and valued during discussions and decision-making processes? (04 marks)

b) How do the cultural preferences for conflict resolution differ among the U.S., Indian, and Japanese teams, and how does this impact team dynamics and productivity?(04marks)

c) How do the cultural differences in decision-making processes between the U.S., Indian, and Japanese teams affect project timelines and outcomes?(04 marks)

## 10) CASE STUDY: Legal Framework in International Business

K6 (18)

**Introduction:**

In the era of globalization, multinational corporations (MNCs) like XYZ Inc. are increasingly expanding their operations internationally. However, venturing into new markets brings forth a myriad of legal challenges that need to be addressed effectively. Let's delve into a case study of XYZ Inc., a leading technology company headquartered in the United States, as it navigates through the complex legal frameworks of different countries in its quest for global expansion.

**CASE :**

XYZ Inc. is renowned for its cutting-edge technology solutions, encompassing consumer electronics, software, and digital services. While firmly established in the domestic market, the company is eager to tap into international markets to leverage emerging opportunities and diversify its revenue streams.

**Legal Challenges Faced by XYZ Inc.:****Intellectual Property Protection:**

XYZ Inc. heavily invests in research and development to drive innovation and create new products and technologies. However, the company faces the constant threat of intellectual property theft and infringement, particularly in countries with lax intellectual property laws. For instance, while operating in India, known for its large software development industry, XYZ Inc. must devise robust strategies to safeguard its patents, trademarks, and copyrights against unauthorized use or replication.

### Contractual Agreements:

As XYZ Inc. expands its presence globally, it enters into contractual agreements with various stakeholders, including suppliers, distributors, and partners. However, differences in contract laws and legal systems across countries pose significant challenges in drafting enforceable agreements. For example, when establishing operations in China, XYZ Inc. must navigate through the nuances of Chinese contract law to ensure that its agreements are legally sound and adequately protect its interests.

### Regulatory Compliance:

Operating in multiple jurisdictions requires XYZ Inc. to adhere to a plethora of regulatory requirements, ranging from product safety standards to data protection laws and taxation regulations. For instance, when entering the European Union market, XYZ Inc. must ensure compliance with the General Data Protection Regulation (GDPR) to safeguard customer data privacy. Simultaneously, when operating in Brazil, XYZ Inc. must comply with stringent taxation regulations to avoid penalties and legal repercussions.

### Dispute Resolution:

In the event of disputes or legal conflicts with foreign business partners or competitors, XYZ Inc. faces the challenge of selecting the most effective dispute resolution mechanisms. Whether to opt for litigation, arbitration, or alternative dispute resolution methods depends on various factors, including the nature of the dispute and the legal landscape of the country involved. For instance, when facing a contractual dispute with a supplier in Japan, XYZ Inc. may consider arbitration as a more efficient and cost-effective means of resolving the issue.

Q1.What factors should XYZ Inc. consider when drafting contractual agreements with foreign suppliers, distributors, and partners? (06 marks)

Q2.Considering the complexity of international legal disputes, explain the advantages and disadvantages of various dispute resolution mechanisms available to XYZ Inc. (06 MARKS)

Q3.Discuss specific strategies and legal mechanisms XYZ Inc. can employ to safeguard its patents, trademarks, and copyrights.(06 marks)