

Roll No.
5000 20/40/50/-

June - July 2019

Bachelor of Business Administration (MBA) Examination

(Full Time) (New) Fourth Semester

BBA-403 : INTERNATIONAL BUSINESS

Time 3 Hours]

[Max. Marks 80

Note : Answer any four questions from Section A. Section B is compulsory. All questions carry equal marks i.e., 16 marks each in Section A. Section B carries 16 marks.

Section A

1. Distinguish and differentiate between the Modern approach and Classical approach of International Trade. Also critically examine the Modern approach of International Trade with explaining the terms comparative advantage and competitive advantage.
2. Discuss the various Mode of Entries in Global Market with their pros and cons.
3. Explain the role of WTO and IMF in promoting the International Trade. Also discuss the root cause of US-China Trade War and its consequences on global trade.
4. What do you mean by Balance of Payments ? Explain its structure in detail with differentiating the terms Balance of Trade and Balance of Payments. Also write the significance of it.
5. Explain the role of FDI in financial stability of an economy. Also describe the sectors where FDI's are allowed in India with explaining their pros and cons in Indian Economy.
6. Write short notes on any three of the following :
(a) BRICS (b) SAARC
(c) IBRD (d) Euro-Currency Market.

Section B

MAHINDRA & MAHINDRA

Mahindra & Mahindra (M & M) is a major player in the tractor and certain segments of the automobile market in India. After an impressive growth for a few years, the tractor market in India has been stagnating during 1998-1999 to 2000-2001.

M & M has been selling its tractors and utility vehicles in foreign markets including USA. Some of the components for its products have been sourced from abroad.

M & M has a 100 percent subsidiary in USA, Mahindra USA, with a strong network of 100 dealers.

Mahindra has a five percent market share in the US market in the 28-30 horse power (HP) range.

As a part of the strategy aimed at building a global supply chain, Mahindra USA has signed a memorandum of understanding (MoU) with the Korean tractor major Tong Yang, a part of the \$ 2 billion Tong Yang Moolsam group, according to which Mahindra will source high horse power (mostly 25-40 hp range) and sell them around the world under the M & M brand name. To start with, the premium range of tractors will be sold in the US.

N & M's current tractor range is more utility-oriented and lacks the aesthetic appeal that Tong Yang's tractors have a must for a strong presence in the US market.

Questions :

1. What are the advantages and disadvantages of global sourcing ?
2. How will the foreign market expansion help M & M ?
3. How does the strategic alliance with Tong Yang benefit M & M ?
4. What are the possible risks of the alliance ? How can they be overcome/minimized ?