

September 2013

Master of Business Administration (MBA) Examination
IV Semester

Corporate Governance & Global Business Environment

Time : 3 Hours]

[Max. Marks : 80

Note: Attempt any four questions from Section A. Each question carries 15 marks in this section. Section B is compulsory and carries 20 marks.

Section- A

1. Explain the evolution of Corporate Governance and its impact on Indian Corporate World.
2. What are the tariff and non tariff barriers? Explain the various reasons for the better performance of developing countries in the World Trade.
3. Explain the impact of political, legal and cultural environment on adopting new technologies.
4. Why do companies go international? Bring out the nature and cause for globalization of industry.
5. Analyse the causes for depreciation of Indian Rupee vis a vis US Dollar, and its impact for a firm having international operations.
6. If managing cultural diversity is an essential element of international business. Indian firms should be successful as India is a culturally diverse country. Do you agree with this view? Discuss in this context the importance of culture in International Business.
7. Answer any two of the following :
 - (a) Analyse Govt. decision to allocate 2% of profits for CSR.
 - (b) E-business impact on Business Ethics.
 - (c) Sources of Financing Foreign Trade.

Section- B

8. Analyse the case and answer the questions given at the end of the case :

Arizona Sunray is one of the pioneering companies in solar energy within that state. Its founding generation consisted of third- generation Arizonans, descendants of the state's earliest pioneers. The founders took great pride in

that pioneering heritage, often boasting that the family's rise to relative prosperity was a result of "thinking Arizona." To them, the phrase meant a ceaseless search for business opportunities within the state.

In the late 1950s, one member of this generation emerged as a new type of pioneer - one of a cluster of scientists and businessmen who hoped to develop the first practical applications of solar energy on a scale available to home owners. In the early 1960s, he pioneered the use of solar energy in offices and homes, incorporating, with other members of his family, into what proved, to be a surprisingly successful firm, eventually named Arizona Sunray. After some experimentation the firm chose the slogan "Follow the Sun. It's Arizona's Way," reasoning that the way to acquire new business was to follow the sun, the firm expanded into every area of Arizona, and then into Nevada and New Mexico.

The next generation took control of the business in 1965. As a result, a decision was made to redirect expansion away from the relatively unpopulated states of the Southwest and move due west into the larger urban population centers of coastal California. The Los Angeles/Orange Country area was considered particularly favorable for potential expansion, with relatively affluent target populations that might show considerable interest in the use of solar energy within their homes. Several aspects of the marketing program were reshaped to appeal more directly to coastal Californians, including a change in the firm's slogan, which became "Catch the Rays, it's California's Way." The concept proved quite successful, and the firm continued to expand.

By 1995, members of the next generation were just beginning to reach positions of influence and authority within the firm. Their relative affluence, however, had permitted them to acquire both travel experience and education abroad. As a consequence they proposed a further expansion, seeking to "follow the sun" on a scale undreamed of by their elders. They argued that Arizona Sunray should spread around the entire Pacific Rim, taking appropriate advantage of new techniques in miniaturization to fulfill an entire range of solar-powered needs - from solar-powered calculators to rural solar cookers - permitting Arizona Sunray (to be renamed Pacific Sunray) to take maximum advantage of both current opportunity and long-range planning for expansion.

Surviving members of the founding generation instantly rejected the proposal, refusing to contemplate such radical ideas. "Why even bother the firm's first president asked. "We're doing fine right in America. We know our product we know our clientele, we know the West. This market's huge! We're making steady profits. Every member of this family and every worker in this firm is doing fine. Why Would we want to dissipate our capital in marketing to places we know next to nothing about? The money in America why look abroad?"

Members of all generations met to thrash out the issue. The oldest, though now retired, held considerable influence. The youngest, though lacking power, felt they held a wider and more flexible perspective. The middle generation, though holding formal decision-making powers, felt pulled both ways and wondered if there might be ways to satisfy both sides.

Questions :

1. As a member of the youngest generation, present your case. What advantages could Arizona sunray derive from an attempt to expand its goods and services abroad?
2. As a member of the oldest generation, present your case. Why should the firm remain within America? What hard questions could you ask of members of the youngest generation that might suggest weaknesses in their proposal?
3. As a member of the middle generation, what compromise can you propose that might orve acceptable to both sides.

