

Seat No.: _____

Enrolment No. _____

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA – SEMESTER 03 – • EXAMINATION – SUMMER 2016

Subject Code: 2830006

Date: 02/05/ 2016

Subject Name: International Business (IB)

Time: 10.30 AM TO 01.30 PM

Total Marks: 70

Instructions:

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

- Q.1 (a) Select and write an appropriate answer for following questions** **06**
1. A term which refers to those transactions in which the goods supplied do not leave the country and the payment for such supplies is received either in Indian rupees (i.e. home land country) or in free foreign exchange is known as:
A. Exports B. Deemed Exports
C. Import D. None of above
 2. Capitalistic, communistic and Mixed are the types of
A. Economic System B. Social System
C. Cultural Attitudes D. Political System
 3. Ultimatelywas replaced by theon 1st Jan 1995
A. GATS, WTO B. IMF, GATT
C. GATT, WTO D. WTO, GATT
 4.is the payment method most often used in International Trade which offers the exporter best assurance of being paid for the products sold internationally.
A. A/c payee check B. Letter of Credit
C. E-Account D. Cash on Delivery
 5. What is the full form of IEC?
A. Indian Exchange code B. International exchange of credit
C. Importer Exporter D. Indian Exporter certificate code
 6. The number of mandatory documents required for exports and imports of goods from/into India have been reduced to _____, as prescribed under paragraph 2.06 of FTP.
A. Two B. Four
C. Three D. Ten
- Q.1 (b) Explain in brief :** **04**
1. Import 2. Duty drawback 3. Ethnocentric approach 4. Trade Deficits
- Q.1 (c) Define Globalization. Is Globalization bad or Good? Justify your statement.** **04**
- Q.2 (a) Define Culture. Explain culture determinants in brief.** **07**
- (b) Suppose you are made a general manager of international division of the company, you are required to do export for the first time. Write stepwise process which you will follow for exporting.** **07**

OR

- (b) What are options available to go international? Which mode you will use and why? 07
- Q.3 (a) Explain different types of tariff and non tariff Trade barriers found in international markets. 07
- (b) Write down short notes on any two international organizations promoting and assisting in international trade. 07
- OR**
- Q.3 (a) Examine the economic and non-economic rationale for government intervention in foreign trade. 07
- (b) Write down short notes on any two multinational cooperation groups to inter-countries trade. 07
- Q.4 (a) Define Export. Write down advantages of Export. 07
- (b) Today is the scenario wherein most of businessman in India are importing goods from China and selling in India. You are assigned a duty to promote 'Make in India' mission which type of marketing orientation can be used for making this mission true? Why? 07
- OR**
- Q.4 (a) What are the documents required for export. Explain in brief. 07
- (b) De-valuation of currency is bad or Good? Explain with reference to export and import taking example of China. 07
- Q.5 **Read following case and answer the following questions:** 14

Case Study : Strategy Ahead for Indian Manufacturers

Rajiv Gupta, proprietor of Delhi-based Roxy Gifts and Novelties, is going on vacation for a few days. He says he needs a break from the bad business run he's had lately. Gupta makes gift items such as wall clocks, pen stands, photo frames, diaries, calendars and wrist watches - and sales have been slow the past few years because of a flood of cheap Chinese imports in the market. But once he's back, the Delhi businessman is hoping to change his fortunes: he is thinking of sourcing from China and trading himself. "My friends tell me Chinese goods can easily fetch me 20 to 30 per cent margins, instead of about seven that I make with my products," he says.

Gupta is not alone. After dealing a blow to small-scale industries such as toys and crackers, Chinese imports have now hit hundreds of small manufacturers making a range of products from diesel engines to ceramics and bicycle parts. Many have either shut shop altogether or are turning into traders themselves. To add to their woes, many small manufacturers say they are also grappling with rising production costs, high taxes, duty-free imports and lack of scale in manufacturing. "A lot of people, like me, are thinking of becoming traders," says Gupta.

We were working on very low margins and finally could not continue any more. There is no support from the government: Manubhai Patel, Owner, Anil Manufacturers, has closed his diesel engine business The numbers are telling. According to government figures, Chinese imports leapt from \$32.45 billion (Rs 146,005 crore) in 2008/09 to \$52.25 billion (Rs 3, 13, 500 crore) in 2012/13. A 2009 report by industry body FICCI based on a

survey of over 100 small and medium companies listed 22 product categories imported from China which were 10 to 70 per cent cheaper.

Industry organizations also complain about government apathy, saying their Chinese counterparts have an edge because of cheaper land, regular electricity, cheap finance and good roads. "A lot of factors add up to give them an efficiency gain of 20 to 40 per cent," says Anil Bhardwaj, Secretary General, Federation of Indian Micro and Small & Medium Enterprises (FISME). "In recent years, imports from China have changed from low-value, low-cost products like toys and crackers to high-value items like electronics and machinery. The import portfolio has also expanded across product categories like gift sets, glasses, bathroom fittings, builder hardware, furniture and ceramics."

Q.1. Why Indian small manufacturers are not able to sustain their manufacturing business?

Q.2 What can be done to solve this problem of small manufacturers?

OR

Q.5

Read following case and answer the following questions:

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Case: New Distribution Initiatives at HLL

This case analyses the distribution strategy of Hindustan Lever Limited (HLL), the 51.6% subsidiary of Unilever and the largest FMCG Company in India.

Traditionally HLL's distribution network consisted of wholesalers and retailers. HLL had presence in 80 lakhs retail outlets and there was 'one size fit for all' distribution strategy to serve all those outlets. But due to change in consumer demography, consumer behavior and market structure, the traditional distribution system failed to deliver the results. Urban customers wanted products with unique, value added and customized offerings with convenient shopping.

Apart from this, emergence of rural market also forced HLL to change its distribution system.

HLL dealt with these two issues differently. For urban market it developed different distribution system cater to different type of customers. Along with this, it provided value added service, convenience and customized offering to urban customers. On the other hand, in rural markets, to increase brand awareness and product availability, it introduced alternative distribution systems. Through these changes, HLL brought its brands closer to customers.

HLL's approach to distribution was holistic and developed a three-way convergence of product availability, brand communication and brand experience.

Q.1 Draw a supply Chain network for HLL.

Q.2 If you are handling distribution network then what types of distribution system you will design to reach rural and urban market and Why?
