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Odd Semester Examination - January 2023 – February 2023
MBA-I Semester/MBA (I)- I Semester
MBA-FG-104/MBA(I)-FG-104
International Business Environment

Duration: 3 Hours **Max Marks: 60**

*Note: Attempt any Five Questions, all questions carry equal marks. [12*5=60]*

Q1: You are the CEO of a company that has to choose between making a $100 million investment in Syria and Afghanistan. Both investments promise the same long-run return, so your choice is driven by risk considerations. Assess the political risks of doing business in each of these nations. Which investment would you favor and why? (Consider: Domestic economic conditions, political economic environment & external economic relations)

Q2: Recently an expatriate from Argentina has joined your company and has been appointed as your manager. Explain how difficult it would be for you and your team mates to work under him since he is from a very different culture. Write your answer by taking into consideration the Hofstede's cultural dimension.

For Argentina – Power Distance (49), Individualism (46), Masculinity (56), Uncertainty avoidance (86), Long-term orientation (80)
For India - Power Distance (77), Individualism (48), Masculinity (56), Uncertainty avoidance (76), Long-term orientation (65)

Q3: Brazil require 20 units of resources to produce a pound of beef or 200 units of resources to produce an auto; in contrast the United States require 50 unit of resources to produce a pounds of beef or 80 units of resources to produce an auto. Assume that both the countries have 1000 units of resources. Which country has the absolute advantage in beef? Which country has the absolute advantage in producing autos? What would be the production and consumption without trade? What would be the consumption and production after specialization?

Q4: Country X has experienced deficit in balance of payment for the past few years. People from country X were found to use imported goods instead of domestic goods, although similar substitutes were available in domestic market. How the deficit in balance of payment can be corrected in country X? What measures will you suggest?

Q5: "Role of IMF has weakened over a period of time". Do you agree with the statement? Discuss with the help of suitable example.

Q6: World Bank was created for the development and reconstruction of countries. However, different institutions were later on created under World Bank group to prepare developing countries for the private and multi-national investments. What are the names of these institutions? What are their roles and responsibilities?

Q7: Select a product and discuss the likelihood that (a) an under-developed country, (b) a rapidly developing country, and (c) a developed country would enjoy an absolute advantage, a comparative advantage, or no particular advantage as the products moves through the four stages of the product life cycle.

Q8: a) An Indian exporter got a subsidy from the Government of India while he purchased a raw material for the goods, which he exported later? Afterwards, when he exported those goods to Germany he was asked to pay additional duty. Which duty will be applicable on the goods and why?

b) An Indian exporter was blamed for selling low cost products in the US market. The case was brought to WTO and it was decided that the Indian exporter has to pay additional duty? What is the name of the duty? Explain.

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