

PARUL UNIVERSITY
FACULTY OF MANAGEMENT
BBA Summer 2022-23 Examination

Semester: 5
Subject Code: 06101338
Subject Name: Advance International Business- I

Date: 31/03/2023
Time: 2.00pm to 4.30pm
Total Marks: 60

Instructions

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Make suitable assumptions wherever necessary.
4. Start new question on new page.

Q.1 Do as Directed.

Multiple choice type questions/Fill in the blanks. (Each of 1 mark) (05)

- 1 What are known as Bretton wood's twins-

a) World Bank & IDA	c) IBRD & IFC
b) IMF & IBRD	d) IBRD & World Bank
- 2 Write Full form of UNCTAD-
- 3 "World as one market" is view of which approach of international business-

a) Geocentric	c) Regiocentric
b) Ethnocentric	d) Polycentric
- 4 Which institution is known as the 'soft loan window' of World Bank-

a) IBRD	c) IDA
b) IFC	d) ICSID
- 5 GATT was signed in which year-

a) 1945	c) 1946
b) 1947	d) 1948

B). Match Institutions in List I to their founding year in List II. (Each of 1 mark) (05)

- | List I | List II |
|--------------|---------|
| 1 World Bank | a) 1960 |
| 2 IDA | b) 1944 |
| 3 MIGA | c) 1966 |
| 4 ICSID | d) 1945 |
| 5 IFC | e) 1956 |
| | f) 1988 |
| | g) 1973 |

C). Direct questions. (Each of 1 mark) (05)

- 1 What is Ad valorem duty?
- 2 What are absolute quotas?
- 3 What is meant by embargo?
- 4 What is transit tariff duty?
- 5 What is Voluntary export restraints?

Q.2 Answer the following questions.

A). Explain Brownfield investment strategy with examples. (07)

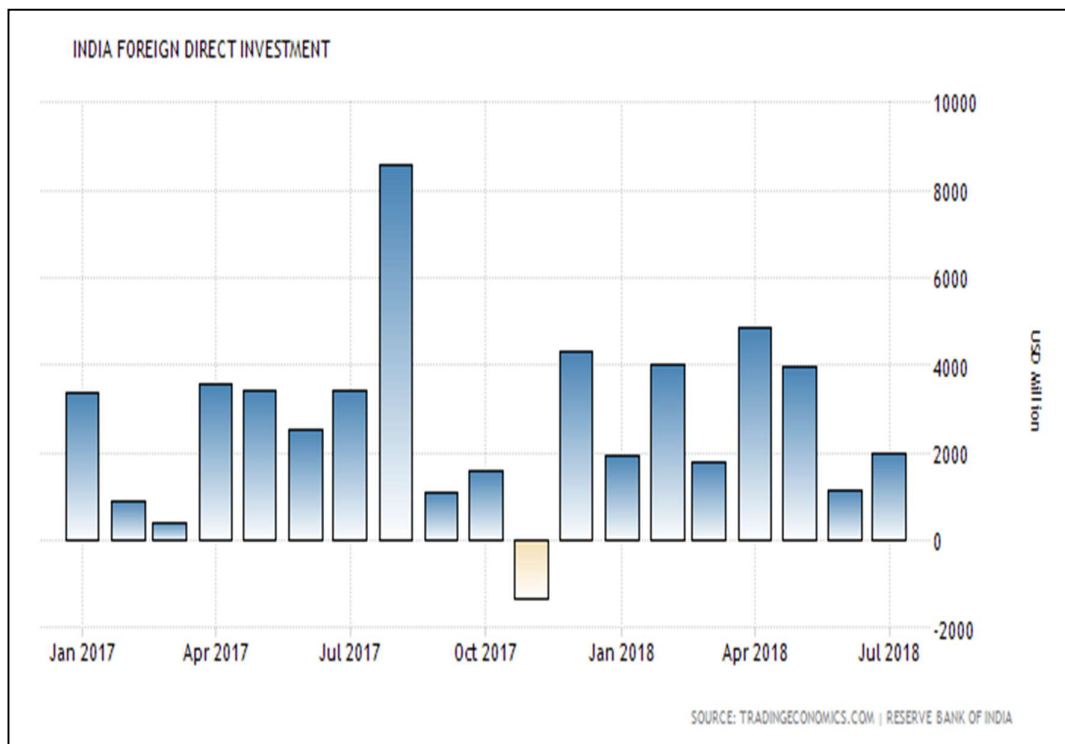
B). Write about transformation of GATT to WTO. What are the objectives and functions of WTO in international trade. (08)

Q.3 Answer the following questions.

A). Explain the features of Foreign Trade Policy of India (2015-20). (07)

B). Define Balance of Payment. What are the corrective measures adopted for BOP deficit disequilibrium. (08)

Q.4 Attempt any two questions. (Each of 7.5 mark) (15)



1

Explain FDI. Give importance of FDI. Given chart shows the FDI inflows in India from Jan, 2017- Jul, 2018. The data is in USD Millions. Analyze the chart and give reason of low FDI in Jul, 2018.

2 Explain International Business Environment in detail with all components.

Government imposes safeguard duty on solar cells import for 2 years (Reported in July, 2018)

The Ministry of Finance has notified the Directorate General of Trade Remedies decision to impose safeguard duty on solar panels imported from China and Malaysia, which is certain to raise tariffs of future solar projects. More than 90% of solar panels and modules used in Indian solar projects come from these two countries.

The DGTR had recommended the imposition of 25% safeguard duty on solar panels from these two countries about a fortnight ago for one year, followed by 20% for the next six months and 15% for another six. It did so on the grounds that such imports were causing “serious injury” to domestic solar manufacturers. The duty comes into effect from July 30.

3

The DGTR had responded to a complaint from the Indian Solar Manufacturers Association (ISMA) last December by conducting its own investigation. The probe concluded that indigenously made solar cells and panels, which constituted just 10% of Indian solar projects in 2014-15, had fallen even further in subsequent years. Solar developers preferred Chinese and Malaysian solar equipment, as it was cheaper than that manufactured in India.

Solar developers had been opposing strongly on the grounds that it would raise tariffs, as they would have no option but to pass on the extra charge to discoms and ultimately consumers. This in turn might slow down India's ambitious solar programme which aims to have 100,000 MW of solar capacity by 2022. They noted that local manufacturers do not have sufficient capacity to meet their needs.

Solar tariffs are currently at around Rs 2.75 per unit, on par with that of thermal power, but safeguard duty is expected to raise it by at least 50 paise, according to developers.

Question: Explain how this article is an example of trade barriers. Why manufactures are opposing this step?

FOREX reserves plunge below \$ 400 bn mark (Reported in Sep, 2018)

The country's forex reserves declined by \$819.5 million to \$399.282 billion for the week to September 7 -- slipping below the \$400-billion mark for the first time in over a year, Reserve Bank data showed on September 14.

- 4 This is the second consecutive week of major fall in the reserves which indicates that the central bank has been selling the greenback to fight the fall in rupee, which had crossed the 73-mark earlier this week. The local unit closed at 71.84 on September 14.

The total reserves had dropped by \$1.191 billion to \$400.101 billion in the previous reporting week.

Question: Explain the importance to maintain Foreign reserves by country. As per this article why the situation is critical for India in terms of international trade.