

PARUL UNIVERSITY
FACULTY OF MANAGEMENT
MBA Summer 2018 - 19 Examination

Semester: 4
Subject Code: 06204252
Subject Name: Foreign Direct Investment

Date: 24/04/2019
Time: 10:30 am to 01:00pm
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.**A). Multiple choice type questions/Fill in the blanks. (Each of 1 mark) (05)**

1. It is an incorporated enterprise in the host country in which another entity directly owns more than a half of the shareholders voting power and has the right to appoint or remove a majority of the members of the administrative, management or supervisory body.

- | | |
|------------------------------|----------------------|
| a) Subsidiary | c) Foreign Affiliate |
| b) Transnational corporation | d) Branch |

2. Those subsidies which are contingent upon export performance or the use of domestic instead of imported goods.

- | | |
|-----------------------------|-------------------------|
| a) Prohibited Subsidies | c) Actionable subsidies |
| b) Non-actionable subsidies | d) None |

3. Which of the following is/are features of new globalization?

- | | |
|------------------------|---------------------|
| a) New Markets | c) New Actors |
| b) New Rules and Norms | d) All of the Above |

4. FDI stands for

- | | |
|------------------------------|----------------------------|
| a) Foreign Direct investment | c) Forex direct investment |
| b) Forex direct interest | d) Foreign direct interest |

5. Large scale developmental expenditures usually increase the purchasing power, aggregate demand and prices, resulting in substantially large imports are called _____ disequilibrium.

- | | |
|----------------|---------------|
| a) Development | c) Cyclic |
| b) Secular | d) Structural |

B). Define the following. (Each of 1 mark) (05)

1. Strategic Alliance
2. Balance of payment disequilibrium
3. What is a Special drawing right (SDR)?
4. Define the principle of non-discrimination.
5. Globalization.

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

1. Explain different characteristics of developed economy.
2. Explain International product life cycle theory.
3. How do you define Multinational corporation on the basis of performance.
4. Mention any two objectives of GATT.
5. What is Margin of dumping?

Q.2 Answer the following questions.

- A). Discuss about different factors that causes disequilibrium in the Balance of Payment. (07)
B). Explain different features of New Globalization. (08)

Q.3 Answer the following questions.

- A). Explain Market imperfections theory and Location specific advantage theory. (07)
B). Discuss about the IMF facilities which they provide to different countries of the world. (08)

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

(15)

1. Write a short note on Foreign Private Investment.
2. Which are the recommendations of the UN for the code of conduct for MNCs.
3. What is Intellectual Property right? Also discuss about the objectives for which it is working.
4. Explain any four market entry strategies of globalization.