

**PARUL UNIVERSITY**  
**FACULTY OF MANAGEMENT**  
**BBA, Winter 2017 - 18 Examination**

**Semester: 5**  
**Subject Code: 06101303**  
**Subject Name: International Business**

**Date: 19/12/2017**  
**Time: 02:00pm to 04:30pm**  
**Total Marks: 60**

**Instructions**

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

**Q.1 Do as Directed**

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

1. \_\_\_\_\_ theory states that, lack of resources often helps countries to become competitive
 

a) Competitive theory	c) Theory of Mercantilism
b) Porters Diamond Model	d) Product life cycle theory
2. Firm that operates internationally is able to
 

a) Earn a greater return from their skills and core competencies	c) Realize location economies where they can be performed most efficiently
b) Realize greater experience curve economies, which reduces the cost of production	d) All the above
3. Subsidiaries consider regional environment for policy / Strategy formulation is known as
 

a) Polycentric Approach	c) Ethnocentric Approach
b) Regiocentric Approach	d) Geocentric Approach
4. Theory of Mercantilism propagates
 

a) Encourage exports and imports	c) Discourage exports and imports
b) Encourage exports and discourage imports	d) Discourage exports and encourage imports
5. India is an
 

a) Emerging economy	c) Less developed economy
b) Developed economy	d) None of these

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

1. Bill of Lading
2. Certificate of origin
3. Embargo
4. Piggybacking
5. E-business

**(C) State True or False for each of the following. (Each of 1 mark) (05)**

1. Product life cycle theory states that an exporter country of a particular product can become an importer country during the product cycle of a product.
2. WTO is the only international organization dealing with the rules of trade between organizations.
3. Theory of Comparative advantage demonstrates that mutually advantageous trade cannot occur when one trading partner has an absolute advantage
4. The term economies of scale refer to the reductions in cost achieved by producing a large volume of the product.
5. When one company acquires another, the one acquired becomes a subsidiary of the acquiring company.

**Q.2 Answer the following questions.**

- (a) Discuss the various factors affecting globalization. (07)**
- (b) What is cultural orientation in International Business? Explain EPRG approach. (08)**

**Q.3 Answer the following questions.**

(a) Explain in detail “trade related” mode for business expansion. (07)

(b) Explain the concept of export-import procedure. Explain any six documents required for (08)

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

1. Why do business firms of a country go to other countries? Give your answer with suitable examples.
2. Why should a firm make direct investments abroad when low investment modes of business expansion such as licensing are available?
3. Explaining the concept mercantilist theory, evaluate its relevance in today’s global economy.
4. Economic conditions, economic policies and the economic system are the important external factors that constitute the economic environment of a business” elaborate this statement.