

MID-WESTERN UNIVERSITY
FACULTY OF MANAGEMENT
FINAL TERM EXAMINATIONS: 2075
MASTER OF BUSINESS STUDIES (MBS)
SEMESTER - II

Subject: International Business

Course Code: MGMT 523

Full Marks: 60

Time: 4:00 Hours

You are required to answer in your own words as far as applicable. Figures in the margins indicate full marks.

SECTION A: CRITICAL THINKING QUESTIONS (10X2 = 20MARKS)

Answer all questions:

- 1) What is globalization?
- 2) Define globalization of production.
- 3) What is Mercantilism?
- 4) Point out any two limitations of classical theory of international business.
- 5) What is protectionism?
- 6) *What is The principle of reciprocity?*
- 7) What is counter trade?
- 8) What is spot exchange rate?
- 9) *Point out any two disadvantages of first mover.*
- 10) *Define joint ventures.*

SECTION B: SHORT ANSWER QUESTIONS (4 X 6 = 24 MARKS)

Answer any Two

- 1) Explain the impact of globalization in developing countries.
- 2) Define country similarity theory. Do you prefer doing international business with countries which are similar to your home country in terms of geography, history, language, culture or other things? Why? Explain with examples.(2+4)
- 3) Explain the Geert Hofstede study.
- 4) Define foreign exchange market and briefly explain why U.S dollar is used as major currency in foreign exchange market? (2+4)
- 5) A service firm like McDonald's is using a franchising strategy to enter foreign market. On the basis of above statement define franchising and give your reason why McDonald's is using franchising strategy. (2+4)

SECTION C: LONG ANSWER QUESTIONS (2X 13 = 26 MARKS)

Answer any TWO questions:

- 1) Every country has its own culture, doing international business we must understand the

culture of the host country? On the basis of the above statement, briefly explain the elements of culture that effects the international business.

- 2) Supporters of globalization believe that increased trade and cross-border investment means lower prices for goods and services, greater economic growth, higher consumer income, and more jobs. Justify the above statement.
- 3) Explain the Absolute cost advantage theory and comparative cost advantage theory with suitable example

