

**K.J. Somaiya Institute of Management Studies & Research**  
**PGDM A & B – II Trimester (2016-18)**  
**Sub: International Business**  
**End Term Examination**

**Maximum Marks: 50**

**Duration: 3 Hours**

**3<sup>rd</sup> January 2017**

**Note: All the THREE Questions are COMPULSORY.**

**Q.1 carries 17 Marks. Q.2 carries 18 Marks & Q. 3 carries 15 Marks**

Q.1 Using a relevant diagram where indicated \*, explain briefly the following terms and their strategic significance for a Country and for a Company's International Business:

- i) Relativism
- ii) Tiered Pricing
- iii) Neo Mercantilism
- iv) Factor Proportions Theory of International Trade
- v) Voluntary Export Restraints
- vi) Counter Trade
- vii) Proforma Invoice
- viii) A Company's Value Chain\*
- ix) Country Attractiveness Parameters
- x) Extraterritoriality
- xi) Kyoto Protocol

Q.2 Distinguish between the following terms and explain briefly the strategic significance of each of these 18 terms for a company's International Business:

- i) Most Favored Nation (MFN) and Normal Trade Relations (NTR)
- ii) Options and Futures Contracts
- iii) Customs Union and Common Market
- iv) Spot Rates and Forward Rates in Foreign Exchange Markets
- v) Currency Swap and Foreign Exchange Swap
- vi) Managed Floating and Fixed Peg Currency arrangements
- vii) FOB and CIF Contracts
- viii) A Company's Geographic Concentration and Diversification Strategies
- ix) Bill of Lading and Packing List

Q.3 Using the relevant diagrams, explain the following terms and their strategic significance for a Company's International Business:

- i) A Company's usual pattern of Internationalization
- ii) Link between Corporate Culture and Strategy
- iii) Porter's Diamond Theory and its limitations
- iv) General Electric / McKinsey Matrix for Country Selection
- v) Porter's Generic Strategies

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