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05MBA27

Second Semester MBA Degree Examination, June-July 2009
International Business Management

Time: 3 hrs. Max. Marks:100

Note: *1. Answer any FOUR full questions from Q.No.1 to Q.No.7.*
2. Questions No.8 is compulsory.

1 a. What is Foreign Exchange Market? **(03 Marks)**
b. Explain the different types of Non-tarrif barriers of International trade. **(07 Marks)**
c. Bring out the objectives and functions of World Trade Organization (WTO) **(10 Marks)**

2 a. What are the differences between capitalism and Socialism? **(03 Marks)**
b. Discuss the different modes or methods of participating in International Business. **(07 Marks)**
c. Explain the comparative Advantage Theory with suitable examples. What are its assumptions and outcomes? **(10 Marks)**

3 a. Define 'multinational Company'. **(03 Marks)**
b. What are the various issues of the Arthur Dunkel's proposal in the Uruguay Round of GATT? **(07 Marks)**
c. What is economic environment? Explain the different kinds of Economic systems and their influence on I.B. **(10 Marks)**

4 a. Define Dumping. **(03 Marks)**
b. Explain the types of political risks involved in I.B. How to minimize the political risks? **(07 Marks)**
c. What are the different levels of Economic Integration amongst nations? Explain with examples. **(10 Marks)**

5 a. What are the differences between GATT and WTO? **(03 Marks)**
b. Explain briefly the drivers of Globalization. **(07 Marks)**
c. Discuss briefly the objectives and functions of International Monetory Fund (IMF) **(10 Marks)**

6 a. Differentiate between Patents, Copy Rights, and Trade Marks. **(03 Marks)**
b. Explain the impact of cultural diversity among the nations on international business. **(07 Marks)**
c. Explain the different characteristics of Domestic company. International company, Multinational company and Transnational company. **(10 Marks)**

7 a. Explain the different types of tarrifs. **(03 Marks)**
b. Explain how the exchange rates are determined in foreign exchange market. **(07 Marks)**
c. What is globalization? Discuss briefly the arguments for and against globalization. **(10 Marks)**

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8 **CASE STUDY:**

Google's Problems in China

US based Google Inc. (Google), the world's largest Internet Search Engine wanted to have a major share in China since the market was looking to be lucrative because of its size. Another reason for Google's interest of going to China was the country had the second largest number of Internet users after the US. In 2000 US based Googles Inc. (Googles) search engine, www.google.com started providing services in China having its server in US only. Google however emerged as a leading search engine in China in the initial years of its launch.

The Google faced a problem that its content had to pass through Chinese firewalls, which often stalled the browser and slowed it down. In the meantime in China, the government heavily censored the Internet content and users searching on Google's site experienced inordinate delays and high inconvenience. The government agencies in China used to censor the content on Google's site that violated the regulations while providing sensitive information relating to the Nation. By early 2004, users in China had thought that Google was unreliable and started using alternative search engines. By 2005, Chinese search Engine Company Baidu emerged as the leading internet search company in China. Google was seven times slower than its rival Baidu and Google itself was not happy with the way its services were being operated in the country.

TO compete with Baidu, Google decided to launch a Chinese website www.google.cn. On January 25,2006, Google announced that it was ready to censor the content itself that it made available in China as per the instruction of the government. The company announced, " In order to operate from China, we have removed some content from the search results available on Google.cn, in response to local law, regulation or policy."

Questions:

i) Examine the problems faced by Google in China.

ii) Comment on the legal and business environment in China.

iii) Evaluate the impact of government regulations on the operation of foreign companies in China.

iv) What strategy you recommend for smooth functioning of a foreign companies in China. **(20 Marks)**

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