

**MBA – MARKETING/FINANCE/HR/
PRODUCTION & OPERATIONS MANAGEMENT
(MBABM)**

**Term-End Examination
December, 2014**

MBME-013 : INTERNATIONAL MARKETING

Time : 3 hours

Maximum Marks : 100

Note :

- (i) *Section I is compulsory.*
- (ii) *In Section II, attempt any five questions.*
- (iii) *Assume suitable data wherever required.*
- (iv) *Draw suitable sketches wherever required.*
- (v) *Italicized figures to the right indicate maximum marks.*

SECTION I

1. The Republic of South Africa represents the second largest population in the African continent. The last few years have seen a transition from apartheid to a democratically elected government. The country, however, has its share of problems as under :

- (a) One of the highest crime rates in the world

- (b) HIV epidemic
- (c) Militant Trade Unionization
- (d) Uneducated population with little skills
- (e) Silence on the actions of Zimbabwe, a neighbouring country, against the white population
- (f) Trade related intellectual property rights being violated
- (g) No incentives for organizations that quit SA in protest to the apartheid policy

India has its own problems too !

While both represent a market by sheer virtue of the population, you are required to do a *critical comparison* of the political economy of both the countries and justify an FDI decision in any one of them.

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2. Given the current devaluation of the INR by over 20% with a short period of time, you as an importer of goods is concerned about the increasing price of the imported components in your goods. Maintaining cost competitiveness in the long term is absolutely essential from the perspective of strategic competitiveness.

Draw a comparison (Pros and Cons) on multiple decisions you can take to this effect.

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3. FDI in multi-brand retail has been vehemently opposed by multiple constituencies in India.

The reasons are attributed primarily to loss of employment wherein 8% of the national population is dependent on micro retailing for livelihoods. India is characterized with the highest outlet density in the world with one outlet for every 100 of population. While large format retail might provide employment in distribution and logistics, the country still has infrastructural and power problems.

You are required to critically elaborate on the political economy of inward FDI in multi-brand retail and without repeating any facts of the case.

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SECTION II

4. Draw a critical comparison between a fixed and floating rate currency mechanism. 14

 5. What are the broad factors due to which
 - (a) exporting is preferred over FDI ? 7
 - (b) FDI is preferred over franchising and technology transfer ? 7

 6. How has regional economic integration evolved over a period of time ? Elaborate on the various levels of economic integration. 14

 7. Explain the differences between forward and backward FDI and under what circumstances you would resort to either of the strategies. 14

 8. Explain the differences between a spot, a forward and a spot against forward (SWAP). 14

 9. While many products represent global consumption cultures, provide two examples of localized offerings. 14
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