



BIJU PATNAIK INSTITUTE OF IT & MANAGEMENT STUDIES

2nd SEMESTER (BATCH 2019-21)

CLASS TEST - I

INTERNATIONAL BUSINESS (18MBA206)

Total Marks : 30

Time: 1½ Hours

Q1. Answer all questions :

(10x1=10)

- a) Define International Business
- b) What is the main objective of World bank and IMF?
- c) Give two differences between GATT & WTO
- d) Difference between MNC and TNC
- e) Give two difference between Domestic and International business.
- f) Give two challenges in doing International business
- g) Give one advantage and one disadvantage of each aspect of EPG framework.
- h) Name the mode of entry to international business best suited for expansion of a patented technology.
- i) What do you understand by TRIMs and TRIPs?
- j) In country X, it takes 50 labor hours to produce cloth and 100 hours to produce grain. In country Y, it takes 200 labor hours to produce cloth and 200 hours to produce grain. At what price would X start to be willing to trade with Y? Choose the correct option:
 - 1) More than half a unit of cloth per unit of grain.
 - 2) More than a quarter unit of cloth per unit of grain.
 - 3) More than half a unit of grain per unit of cloth.
 - 4) More than a quarter unit of grain per unit of cloth.

Q2. Answer any two questions :

(2x5=10)

- a) Explain the difference between Franchising and Licensing modes of international business.
- b) Explain the difference between Absolute cost advantage theory and comparative cost advantage theory.
- c) What is the difference between globalization and protectionism and give three reasons each in support of both?

Q3. Answer any one question :

(1x10=10)

- a) With help of examples from different countries explain the impact of business environment (MACRO) on international business.
- b) Give various modes of entering into international business with suitable examples.



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Total Marks : 30

Time: 1½ Hours

Q1. Attempt all Questions:

(10x1=10)

- a) Define International Business
- b) What do you understand by IBRD?
- c) Give two differences between GATT & WTO
- d) Difference between MNC and TNC
- e) Give two advantages of doing International business
- f) Give two challenges in doing International business
- g) What does EPG approach in International Business signify?
- h) Name steps taken by Indian Govt. against Pakistan after Pulwama attack and what will be its implication.
- i) Name the mode of entry to international trade method used by Indian Govt. to crack deal with Dassault for Rafale jets both under UPA and NDA regime.
- j) What do you understand by TRIMs and TRIPs?

Q2. Attempt any two questions:

(2x5=10)

- a) Explain the difference between Franchising and Licensing modes of international business.
- b) Explain the difference between Domestic and International business.
- c) What is the difference between globalization and protectionism and give three reasons each in support of both?

Q3. Analyze the case and explain:

(1x10=10)

Having climbed to number 4 position in the Indian commercial vehicle space in less than four years, world's second largest truck maker Daimler is gradually expanding foot-print and entering into mainstay segments of market leaders Tata Motors. Ashok Leyland and Eicher and carving out new segments and price points in growing Indian commercial vehicle space.

Having started from 9-49 tonne through its Bharat Benz trucks, DICV is now planning to create a new entry point in India by introducing a 5-7 tonne light truck in a couple of years and take on Tata Motors 407 and Eicher Pro Series and on the other extreme, create mid-price segment of Rs.50 lakh to Rs.80 lakh with its new range of Thunder bolt trucks, which will positioned between high end of Tata Motors trucks and Volvo Trucks catering to mining segment and high dimensional cargo segments with its tippers and tractor trailers.

Entering into 5-7 tonne range will not only give Daimler a foothold into 2500 to 3000 units a month market, which makes up for 8-9% of 5-49 tonne market in India, but it will also be exported as Fuso in big numbers to Latin America and Indonesia, where such kind of trucks are in big demand, say people to the know.

Daimler is targeting buyers of Scania and Volvo Trucks which are priced over Rs.1 crore with the highly localized solution with its Thunderbolt range at a price which is 30-40% lower than rival trucks, but delivers on same attributes.

Erich Nesselhauf, MD of Daimler India commercial Vehicles told ET three years since starting operation in September 2012, the company has delivered sales ahead of its plans.

“2015 was a very successful year for Daimler in India, be it for domestic market or exports. The company’s domestic sales grew by 30% and exports doubled. We are adding capacity on one hand and add new products in our portfolio, we will widen our range further – we can go up and we can go down,” said Nesselhauf.

The company closed year 2015 with domestic sales of 14,000 units and saw its market share increase from 6.2% to 7.3% in 2015 in the addressable segment of 9-49 tonne.

While the cumulative market share is at 7.3%, in some of the markets and some segments, Nesselhauf says, Bharat Benz’s market share ranges from 5% to even 50%. The company cumulatively sold about 30,000 trucks in India and just last year also rolled out range of Bharat Benz buses for the India market.

For the year 2016, the company is planning to grow sales by another 40% and may cross 20,000 units of annual volumes, whereas production is likely to touch 25,000 units with Fuso trucks in strong demand globally.

Nesselhauf say, apart from exporting trucks, there is also potential of exporting full engines and aggregates to Euro VI markets, which will help Daimler to be ready 2020 BS VI emission norms ahead of plans.

Question : Daimler India has not only put its foot print in Indian market, but also expanded its wings entering into mainstay segments of established market leaders. What makes the brand so successful in international market in just 4 years?
