CB
60:40

TILAK MAHARASHTRA VIDYAPEETH, PUNE

MASTER OF BUSINESS ADMINISTRATION (M.B.A.)

EXAMINATION: MAY- 2024

SEMESTER - IV

Sub.: Business Environment (MBA401)

Date : 22/05/2024 **Total Marks : 60** **Time: 10.00am to 12.30pm**

Instructions: 1) All questions are compulsory.
2) Figures to the right indicate full marks.

Q. 1. Write Short notes on (Any Three) **(15)**

1. International Business Definition
2. Difference between Domestic Business and International Business
3. Need for Globalization
4. International Monetary Fund
5. Concept of Trade Barriers

Q. 2. Answer in detail (Any One) **(10)**

1. Define 'international business' and explain the features of 'International Business'.
2. What is FDI? Explain its role in the international business.

Q. 3. Answer in detail (Any One) **(10)**

1. Discuss the various modes of entry into international business.
2. Describe major characteristics of foreign exchange markets.

Q. 4. Answer in detail (Any One) **(10)**

1. Explain in detail BOP and its relevance in the international business.
2. Explain the various forms of Trade Barriers and Non-trade barriers.

Q. 5. Case Study: **(15)**

Title: Exploring Modes of Entry into International Business: A Case Study

Introduction:

In today's globalized economy, businesses are constantly seeking opportunities to expand their operations beyond domestic borders. However, entering international markets requires careful consideration of various factors, including cultural differences, regulatory environments, and market dynamics. This case study delves into the modes of entry into international business through the lens of a fictional company, XYZ Inc., looking to expand its operations globally.

XYZ Inc.

XYZ Inc. is a successful technology company based in the United States. With a strong presence in the domestic market, the company is now considering expanding internationally to capitalize on new growth opportunities. After conducting thorough market research, XYZ Inc. has identified three potential markets for expansion: China, Brazil, and Germany.

Modes of Entry:

1. **Exporting:**

XYZ Inc. can choose to enter the international market through exporting. This mode involves selling products or services directly to foreign customers. In the case of XYZ Inc., exporting would entail shipping its technology products to distributors or retailers in China, Brazil, and Germany.

2. **Joint Ventures:**

Another option for XYZ Inc. is to form joint ventures with local companies in the target markets. Joint ventures involve partnering with existing businesses to establish a new entity that operates in the foreign market. By partnering with local companies, XYZ Inc. can leverage their knowledge of the local market and regulatory environment.

3. **Foreign Direct Investment (FDI):**

XYZ Inc. can also consider foreign direct investment as a mode of entry into international business. This involves establishing wholly-owned subsidiaries or acquiring existing businesses in the target markets. With FDI, XYZ Inc. gains full control over its operations in China, Brazil, and Germany, allowing for greater flexibility and strategic decision-making.

Questions:

1: What are the advantages and disadvantages of each mode of entry for XYZ Inc.?

2. Which mode of entry would be most suitable for XYZ Inc. in each of the target markets: China, Brazil, and Germany, and why?

3: What factors should XYZ Inc. consider when selecting a mode of entry into international business?