

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA SEMESTER- III - EXAMINATION-SUMMER-2024

Subject Code: 4539281

Date: 26/04/2024

Subject Name: International Business

Time: 02:30 PM TO 05:30 PM

Total Marks: 70

Instructions:

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.
4. Use of simple calculators and non-programmable scientific calculators are permitted.

		Marks
Q.1	Definitions / terms / explanations / short questions based on concepts of theory/practical (a) Geocentric Approach (b) Absolute Advantage (c) Culture (d) Skimming Price (e) Turnkey Project (f) Joint Venture (g) Tariff Barrier	14
Q.2	(a) Write a short note on the determinants of culture. (b) Critically explain comparative advantage theory of international trade.	07 07
	OR	
	(b) “Technology has drastically reduced time between conceiving an idea and implementing that idea”. Comment.	07
Q.3	(a) Describe the stages of internationalization. (b) Product life cycle theory has always been a very “attractive theory” to many students. What do you think are reasons for it?	07 07
	OR	
Q.3	(a) Distinguish between the domestic trade and foreign trade. (b) What do you mean by strategic alliance? Also explain the various benefits of strategic alliance.	07 07
Q.4	(a) Discuss the strategic functions of International Human Resources Management. (b) Explain the working of a letter of credit and list all the types of L/Cs.	07 07
	OR	
Q.4	(a) Write a note on Global Supply Chain strategies. (b) Write a note on Tariff and non-tariff barriers faced by the MNCs.	07 07

Q.5

CASE STUDY:

In 2019, Tesla announced its plan to build a new Gigafactory in Shanghai, China, marking its first foray into the world's largest auto market. The move was aimed at avoiding steep tariffs on imported cars and tapping into China's growing demand for electric vehicles. However, the company faced several challenges in entering the Chinese market.

One of the biggest challenges was navigating the complex regulatory environment in China, which requires foreign companies to form joint ventures with local partners to manufacture and sell cars. To comply with the regulations, Tesla formed a joint venture with Shanghai's Lingang Area Development Administration, which holds a 50% stake in the new Gigafactory.

Another challenge was building a supply chain in China, which required Tesla to establish relationships with local suppliers and manufacturers. To do so, the company began partnering with Chinese suppliers to produce components such as charging equipment and battery packs.

In addition, Tesla faced intense competition from domestic electric vehicle manufacturers, such as BYD and NIO, which had established strong brand recognition and sales channels in China. To differentiate itself from competitors, Tesla focused on offering high-quality products and services, such as advanced self-driving technology and a fast-charging network.

Despite the challenges, Tesla's entry into China has been largely successful, with the company reporting strong sales growth and market share gains in the region. The move has also helped Tesla to reduce its dependence on the US market and expand its global footprint.

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| (a) | What were some of the challenges that Tesla faced in entering the Chinese market, and how did the company address these challenges? | 07 |
| (b) | How did Tesla differentiate itself from domestic electric vehicle manufacturers in China, and what strategies did the company use to gain market share? | 07 |

OR

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| Q.5 | (a) What impact did Tesla's entry into the Chinese market have on the company's global business strategy and overall performance? | 07 |
| | (b) What lessons can other companies learn from Tesla's experience in entering the Chinese market, and how can they navigate similar challenges in other international markets? | 07 |
