

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA-SEMESTER-III-EXAMINATION-SUMMER-2025

Subject Code: 4539281**Date: 10/06/2025****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.

Q. No.	Question Text and Description	Marks
Q.1	Definitions / terms / explanations / short questions based on concepts of theory/practical (a) Tariff Barrier (b) Outsourcing (c) Ethnocentric (d) SAARC (e) Franchising (f) Economic Risk (g) Global Supply Chain	14
Q.2	(a) Describe the effect of Globalization on world economy (b) What lessons do trade theories carry for today's governments and policymakers?	07 07
OR		
	(b) According to you what makes foreign business activities more complex than purely domestic ones?	07
Q.3	(a) Explain the comparative advantage theory for world trade? (b) Define political risk assessment? How do MNC's manage political risks?	07 07
OR		
Q.3	(a) Explain the role of NAFTA in promoting trade among its member countries (b) Do you think Indian firms should go global? Why not remain content with the domestic market, which is vast?	07 07
Q.4	(a) Write a note on the Ethnocentric Approach. (b) Bring out Porter's diamond theory. How far is it relevant to a developing country?	07 07
OR		
Q.4	(a) What are the benefits of International Marketing (b) Explain the factors influencing International logistic Management	07 07

Q.5

CASE STUDY:

American Motor Corporation for years has been America's Fourth largest producer of automotive vehicles. It dropped to the fifth position when Volkswagen began producing X Cars in the US, after joining with Renault of France in 1980. It began producing and selling Renault's designed cars instead of its own. It was also the world's largest producer of four-wheelers since its acquisition of jeep from Kaiser in 1870. Joining with Renault did not threaten the viability of American Motor Corporation's jeep line because Renault had no four-wheelers. Renault became the exclusive distributor for jeeps in France and elsewhere. By 1980, worldwide sales of the jeep were over 2,00,000 per year with $\frac{3}{4}$ of that in the US and Canada, which represented the domestic business.

The international sales in 1981 including communist countries were 45000. Until the fall of Shah, Iran was the biggest market. Among four-wheelers, the jeep was the largest seller. Its competitors were Toyota, Nissan, and Land Rover. Jeep was the most global competitor with manufacturing, assembly, and licensing in over 20 countries. In contrast, Toyota has most of its assembly operations in Indonesia and Venezuela. Most of the jeeps were produced from Ohio. However, the American Motor Corporation jeep had limited manufacturing units in a few foreign markets with assembling and licensing in many others. American Motor Corporation jeep had equity in plants in Australia, Egypt, etc., Altogether, 2 assembly plants in Africa, 3 in the Middle East, 12 in the Asia Pacific, and 4 Latin America. Most of the local manufacturing is done to meet local content. Jeep Sales outside US and Canada are the responsibility of a firm based in Michigan.

The concern has 185 employees of which 25 are living in foreign countries, 25 are American expatriates. Jeep vehicles have enjoyed universal recognition and appeal due to their use in the Second World War by the US. In developed countries, Jeeps are promoted as recreational vehicles while multipurpose in developing countries. Jeeps are sold in substantial numbers in the world markets and countries with different economic, environmental, and use conditions.

- | | | |
|-----|--|-----------|
| (a) | To what degree should jeep vehicles be adopted for the world market? | 07 |
| (b) | Should Jeeps have uniform international brands in the world market? | 07 |

OR

- | | | |
|------------|---|-----------|
| Q.5 | (a) According to you what should be the service and promotion strategy for the world market? | 07 |
| | (b) Identify the strategy that Jeep should adopt for beating the competition in International market. | 07 |