

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

Subject Code: 4549241**Date: 29/05/2025****Subject Name: Geopolitical and World Economic Systems****Time: 10:30 AM TO 01:30 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.1 Explain The following terms. (14)

- (a) Crony capitalism
- (b) MERCOSUR
- (c) GATS
- (d) Bilateral Agreement
- (e) Fiat money
- (f) PPP
- (g) Capital Account Surplus

Q.2(a) What are the various levels of Economic Integration? Discuss in detail. (7)

Q.2(b) Define Economic System. Discuss different types of Economic Systems. (7)

OR

Q.2(b) Explain different types of capitalism. (7)

Q.3(a) What do you mean by Political Risk? How companies can manage Political Risk? (7)

Q.3(b) Write a note on Government Policy Instruments in FDI. (7)

OR

Q.3(a) Write a note on "Balance of Power". (7)

Q.3(b) Define Commodity based money. Write a note on Collapse of Breton-Woods. (7)

Q.4(a) Write a note on Global Environmentalism – history and current trends. (7)

Q.4(b) Explain in brief evolution of International Monetary Systems. (7)

OR

Q.4(a) "Brain Drain".is it case with only underdeveloped countries? Explain. (7)

Q.4(b) Describe in detail: Global production and Global Value Chain. (7)

Case Study

A Case Study in the Textile Industry

The textile industry is one of the oldest and most globally integrated sectors, involving the production of fibres, fabrics, clothing, and other related products. The following scenario illustrates the dynamics of global labour division within this industry:

A multinational textile corporation, TexPro, operates across several countries including China, Bangladesh, Vietnam, and Italy. TexPro sources raw materials such as cotton from the United States and synthetic fibres from Japan. The manufacturing processes are distributed across its global network: cotton spinning and weaving are predominantly carried out in Bangladesh and Vietnam due to lower labour costs, while Italy specializes in high-end fabric production and design. The final stages of production, including garment assembly and quality control, take place in China, leveraging its skilled workforce and efficient logistics infrastructure.

Questions:

Q.5 (a) What factors contribute to TexPro's decision to distribute its manufacturing processes across multiple countries? (7)

Q.5 (b) How does the global division of labour impact the economies of Bangladesh, Vietnam, Italy, and China and India in the context of the textile industry? (7)

OR

Q.5 (a) What are the potential benefits and challenges associated with TexPro's global division of labour strategy? (7)

Q.5 (b) In what ways can TexPro ensure ethical labour practices and sustainability throughout its global supply chain? (7)