

Enrollment No./Seat No.:

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

Subject Code: MB03092201

Date: 22-12-2025

Subject Name: International Business

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.**

	Marks
Q.1 ALL 7 Questions must be Compulsory.	14
(a) Geocentric Orientation	
(b) Balance of Payments	
(c) Hard Currencies	
(d) Neo - Mercantilism	
(e) Foreign exchange	
(f) Expatriate	
(g) Global Supply Chain	
Q.2 (a) Discuss the significance and drivers of international business which makes it important for managers.	07
(b) Which legal, cultural and economic factors influence companies to alter their products to fit the needs of customer in different countries?	07
OR	
(b) Explain EPRG Framework with citing example of companies belonging to particular category.	07
Q.3 (a) With an example explain the use of Product Life Cycle theory for International Business.	07
(b) What is SAARC? What are its objectives and Major Contributions?	07
OR	
(a) With an example explain the use of Porter's Diamond theory for International Business.	07
(b) Explain the different types of non-tariff instruments used by governments to regulate or control international trade, providing relevant examples for each.	07
Q.4 (a) Identify parameters used for the classification of the corporate strategy used for International Business. Explain any two strategy out of the four corporate strategy, namely International, Global, Transnational and Multi-domestic.	07

- (b)** Enlist different types of organization structures used for International Business. **07**
Explain the Strategic Business Unit (SBU) structure with its advantage and disadvantage.

OR

- (a)** What are the factors affecting Exchange rates. Explain with suitable Examples. **07**
- (b)** Identify the different steps needed for a company to select a country for doing **07**
International Business in that country. Also describe the steps for an Indian firm that
needs to export Khadi Products in Europe.

Q.5

Case Study: Starbucks

Since expanding beyond North America in 1996 with its first store in Tokyo, Starbucks has evolved into a global icon with over 32,000 outlets in more than 80 countries. Its success stems from a comprehensive international strategy that integrates the global marketing mix (4Ps), an efficient global supply chain, strong corporate social responsibility (CSR) initiatives, and adaptive international human resource management (IHRM) practices. Together, these elements underpin Starbucks' ability to deliver a consistent yet locally relevant experience across diverse markets.

Starbucks adopts a multi-domestic approach by customizing products to local tastes while maintaining core offerings like espresso beverages. In Japan, it features matcha lattes; in India, masala chai tea; and in China, beverages designed for social sharing. This balance of global consistency and local adaptation strengthens cultural relevance. Starbucks maintains a premium pricing strategy worldwide, positioning itself as an aspirational brand. Prices reflect local purchasing power, ensuring affordability without diluting the upscale brand image. The company uses multiple entry modes—wholly owned subsidiaries, joint ventures, and licensing—to expand internationally. Drive-thrus, mobile ordering, and delivery partnerships enhance accessibility in urban markets. Global campaigns emphasize community, quality, and ethical sourcing, while local marketing reflects cultural norms and festivities. Social media engagement and loyalty programs such as Starbucks Rewards create strong global brand communities.

Starbucks operates one of the world's most sophisticated coffee supply chains, sourcing premium beans from over 30 countries across Latin America, Africa, and Asia. Through its Coffee and Farmer Equity (C.A.F.E.) Practices, it ensures ethical sourcing, environmental protection, and fair compensation. Centralized roasting facilities in North America, Europe, and Asia ensure consistent quality, while advanced logistics networks support efficient global distribution. This integration allows Starbucks to maintain uniform standards while promoting transparency and traceability from bean to cup. Starbucks' CSR efforts are embedded in its business model. The company invests in farmer support centers, promotes eco-friendly store designs, and pursues carbon-neutral operations. Initiatives such as reusable cup programs, waste reduction, and renewable energy sourcing reinforce its commitment to sustainability. Community projects—like youth training and local hiring—strengthen Starbucks' social footprint, aligning with its mission “to inspire and nurture the human spirit.”

Starbucks emphasizes employee empowerment and cross-cultural sensitivity across its global workforce. Baristas worldwide receive standardized training to uphold service excellence, while management localization ensures cultural alignment. Programs promoting gender equality, employee welfare, and leadership development foster inclusivity and retention. The company's “partners-first” philosophy builds loyalty and enhances the brand's human connection globally.

Starbucks' global success illustrates the power of integrating marketing, operations, sustainability, and people management under a cohesive global vision. Its multi-domestic model—combining global standardization with local responsiveness—continues to strengthen brand equity while promoting responsible globalization. The Starbucks case underscores that sustainable growth in international markets demands not just great coffee, but also ethical sourcing, empowered employees, and culturally intelligent marketing.

- (a)** How does Starbucks balance global standardization and local adaptation in its marketing mix (4Ps)? **07**
- (b)** In what ways does Starbucks' global supply chain contribute to both quality assurance and sustainability? **07**

OR

- (a)** How do CSR and sustainability initiatives enhance Starbucks' competitive advantage internationally? **07**
- (b)** What challenges might Starbucks face in managing international human resources across diverse cultural and economic contexts? **07**
