

# INDIAN MARITIME UNIVERSITY

(A Central University, Govt. of India)

## End Semester Examinations – June 2022

**M.B.A** (Port and Shipping Management) /  
(International Trade & Logistics Management)

### PG21T2205/PG22T2205– International Business

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**Date: 24.06.2022**

**Time: 3 Hrs**

**Max Marks :60**

**Pass Marks: 30**

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#### ***Part A – 10 MCQs (10 X 01 Mark)***

(1) Minear is a Canadian firm that holds the right to mine 30 percent of the country's stock of mineral A. The right to mine this 30% is a(n)

- a) Country Specific Assets
- b) Trade Specific Assets
- c) Firm Specific Assets
- d) None of the above

(2) Which of the following is not a characteristic of an MNE?

- a) It is responsive to a number of environmental forces in its home and host country.
- b) It always starts its internationalization process through licensing.
- c) It links together affiliates and business partners under a common strategic vision.
- d) It always draws on a common pool of resources.

(3) Vernon's product cycle theory depicts

- a) Static absolute advantage
- b) Static comparative advantage
- c) Dynamic comparative advantage
- d) Technological gap

(4) When lower cost imports from outside the customs union are replaced by higher cost imports from a union member, it is referred as

- a) Trade creation
- b) Import substitution
- c) Export promotion
- d) Trade diversion

(5) For an MNE, the ownership of assets involved in producing a good or service and delivering it to final consumer is called

- a) Horizontal integration
- b) Vertical integration
- c) Virtual integration
- d) Strategic business unit

(6) A \_\_\_\_\_ is a polycentric (host country oriented) structure in which primary operational responsibility is delegated to area managers, each of whom is responsible for a specific geographic region.

- a) Global functional structure
- b) Global product structure
- c) Global area structure
- d) Matrix structure

(7) Which of the following is not a function of WTO?

- a) Facilitates multilateral trade liberalisation
- b) Trade policy review of its member countries
- c) Dispute settlement among its member countries
- d) Ensure improvements in the BoP of its member countries.

(8) IMF was established in

- a) 1942
- b) 1943
- c) 1944
- d) 1945

(9) A country's Inward looking trade strategy relies on

- a) Export promotion
- b) Import substitution
- c) Both a & b
- d) None of the above

(10) Balance of Trade is reflected in the

- a) Capital account of BoP
- b) Current account of BoP
- c) Special Drawing Rights
- d) None of the above

**Part B – 5 Short Questions (05 X 02 Marks)**

- (11) How is “factor abundance” and “factor intensity” measured in the context of Factor endowment theory.
- (12) Differentiate between Free Trade Area and Customs Union.
- (13) What is global sourcing?
- (14) Write a short note on ADB.
- (15) Explain the determinants of exports for a country.

**Part C – 7 Long Questions- Answer Any 5 (05 X 08 Marks)**

- (16) How is a Firm Specific Assets-Country Specific Assets framework useful to formulate strategic options of an MNE? Discuss.
- (17) Explain different stages of International product cycle theory with the help of an example.
- (18) Analyse various effects of an import tariff on the importing country.
- (19) Explain how strategy is formulated giving particular emphasis to external and internal environmental assessment by an MNE.
- (20) Elaborate on some of the major factors that influence international pricing and distribution strategies.
- (21) Critically examine the success or failure of WTO as a multilateral framework for the liberalisation of international trade.
- (22) Write a note on evolution of India’s trade policy since independence.

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