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PRESIDENCY UNIVERSITY, BENGALURU
SCHOOL OF MANAGEMENT

Max Marks: 100

Max Time: 180 Mins

Weightage: 40 %

ENDTERM FINAL EXAMINATION

I Semester AY 2017-2018

Course: **IBE 302 INTERNATIONAL TRADE
OPERATIONS AND DOCUMENTATION**

14 December 2017

Instructions:

- i. Write legibly
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Part A

(5 Q x 4 M= 20 Marks)

1. What is the expected relationship between the relative real interest rates of two countries and the exchange rate of their currencies?
2. Differentiate between a currency call option and a currency put option.
3. What is trade balance of a country? Explain with a suitable example.
4. Describe some reason for restriction to control corruption in export and import business.
5. What are the major objectives of U.S. export regulations? How do you establish whether a product needs an export license?

Part B

(5Q x 8M= 40 Marks)

6. In 2008-2009, the world economy retrenched in the wake of global financial crisis. Did the globalization of capital markets contribute to this crisis? If so, what can be done to stop global financial contagion in the future?
7. A firm based in Mexico has found that its growth is restricted by the limited liquidity of the Mexican capital market. List the firm's option for raising money on the global capital market. Discuss the pros and cons of each option, and make a recommendation. How might your recommended options be affected if the Mexican peso depreciates significantly on the foreign exchange markets over the next two years?
8. Imagine that Canada, the United States, and Mexico decide to adopt a fixed exchange rate system. What would be likely consequences of such a system for (a) international businesses and (b) the flow of trade and investment among the three countries?
9. Describe the different steps involved in completing an export transaction from the stage of obtaining the order to the final stage of payments getting?
10. Describe the Essential and optional services provided by Clearing and Forwarding Agents in International Trade? What is the basis for fixation of fee for their services?

Part C

(2Q x 20 M= 40 Marks)

11. You are the assistant to the CEO of a small textile firm that manufactures quality, premium priced, stylish clothing. The CEO has decide to see what the opportunities are for exporting and has asked you for advice as to the steps the company should take. What advice would you give the CEO?
12. A firm must decide whether to make a component part in-house or to contact it out to an independent suppliers. Manufacturing the part requires a nonrecoverable investment in specialized assets. The most efficient suppliers are located in countries with currencies that many foreign exchange analysts expect to appreciate substantially over the next decade. What are the pros and cons of (a) manufacturing the component in - house and (b) outsourcing manufacturing to an independent supplier? Which option would you recommended? Why?



PRESIDENCY UNIVERSITY, BENGALURU
SCHOOL OF MANAGEMENT

Max Marks: 60

Max Time: 120 Mins

Weightage: 20 %

2016 MBA III Semester
MID TERM EXAMINATION

I Semester AY 2017-2018

Course: IBE 302

6th Oct'17

International Trade Operations and Documentation

Instructions:

- i. Write legibly
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Part A

(5 Q x 2 M= 10 Marks)

1. What are the limitations of export-led growth?
2. Describe the situations when licensing is not a good option for an organization.
3. What is TRIPS agreement? Why was it established?
4. What is a trade balance of a country?
5. What is the role of the EU commission?

Part B

(6Q x 5M= 30 Marks)

1. What were the major achievements of the Uruguay Round of the GATT/WTO?
2. What are the reasons for Subprime crisis of 2008? Describe its effect in International Business.
3. What is the importance of International trade to the global economy?
4. Compare and contrast the negotiating objectives of Canada and Mexico behind NAFTA.
5. Compare and contrast a free trade area and a common market. Provide examples.
6. How will EU countries benefit from the establishment of a single currency? What, if any, are the costs of a single currency?

Part C

(2Q x 10 M= 20 Marks)

1. Describe the disadvantages of economic integration for international businesses. How can firms protect themselves from these threats?
2. Discuss the Free Trade Area of America. What is hindering its progress? What is the position of U.S. on the agreement? How does Brazil feel about the FTAA?