

Presidency University, Bengaluru  
School of Management

II Semester 2015-2016 Comprehensive Course: **MBA A 108 International Business and Emerging Markets**

( Closed Book)

Max Marks: 80    Max Time: 3 Hours    Weightage: 40 %    1 June 2016    **Set A**

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**Part A**

**10 Questions X 2 Marks each = 20 Marks**

1. To facilitate the globalization of markets and the activities of companies within them, what has happened to government barriers in recent years?
  - a) Barriers have fallen
  - b) Barriers have risen
  - c) Barriers have stayed the same for thirty years
  - d) Barriers have disappeared
  - e) Barriers have experienced dramatic ebbs and flows
  
2. The least restrictive form of economic integration is a(n) \_\_\_\_\_, in which all barriers to trade among member countries are removed, although sometimes only for certain goods or services.
  - a) free-trade area
  - b) customs union
  - c) common market
  - d) economic union
  - e) political union
  
3. Martin lives in a European country that harmonizes monetary policies, taxation, and government spending, and also has a common currency, the Euro. This type of integration can best be described as a(n):
  - 1) Free-trade area
  - 2) Customs union
  - 3) Common market
  - 4) Economic union
  - 5) Social union
  
4. \_\_\_\_\_ is the cost to a particular country when a group of countries trade a product freely among themselves but maintain common barriers to trade with nonmembers.
  - a) Trade creation
  - b) Trade diversion

- c) Balance of power
  - d) Economies of scale
  - e) Trade deficit
5. A(n) \_\_\_\_\_ is an association of producers of a particular good, consisting either of private firms or nations, formed for the purpose of suppressing the market forces affecting prices.
- a) oligarchy
  - b) cartel
  - c) commodity price agreement
  - d) buffer
  - e) trade diversion
6. A(n) \_\_\_\_\_ is a country making an effort to change and improve its economy with the goal of raising its performance to that of the world's more advanced nations.
- a) communist market
  - b) junk market
  - c) capital market
  - d) transition market
  - e) emerging market
7. Which emerging economy is most in need of significant infrastructure investment?
- a. Brazil
  - b. China
  - c. India
  - d. United Arab Emirates
  - e. Singapore
8. While on vacation in Madrid, Sam enters a Spanish bank to exchange his U.S. dollars for Euros. The exchange is finalized in a matter of moments. This activity is an example of:
- a. Spot rate
  - b. Forward rate
  - c. Cross rate
  - d. Counter market exchange
  - e. Expedited exchange
9. In 1999, which three currencies dominated, with 70 percent of all global currency trading?
- a. U.S. dollar, euro, Japanese yen
  - b. Euro, Japanese yen, Chinese yuan
  - c. U.S. dollar, euro, British pound
  - d. Euro, British pound, Swiss franc
  - e. U.S. dollar, Indian rupee, Japanese yen

10. The Bretton Woods agreement resulted in the establishment of what two organizations?
- World Bank and International Monetary Fund
  - European Union and World Bank
  - International Monetary Fund and World Trade Organization
  - European Union and World Trade Organization
  - International Monetary Fund and European Union

Part B

6 Questions X 5 Marks Each = 30 Marks

11. Explain the primary ways in which host governments can gain control over multinational corporations.
12. Describe the different types of legal systems that exist today and provide examples. Which are most common?
13. It has been argued that the differences in cultural lifestyle can be explained by four or five dimensions of culture. Describe these dimensions and explain how they apply to business. Discuss the dimension of culture as explained by Hofstede and how can you compare countries for possible ventures in International Business.
14. Describe the three primary emerging markets in the world today. How does infrastructure play a role in improving economic performance in these markets?
15. Describe the four major components of Porter's competitive advantage of nations theory.
16. Discuss the four levels of economic integration in countries.

Part C

3 Questions X 10 Marks Each = 30 Marks

17. What is the difference between Balance of Trade and Balance of Payments? Is it very important to know both the conditions or they are just indicators? Explain with clear examples and illustrations.
18. What do you understand by the term "political risks" and its implication in international business?
19. What is the purpose of an exchange rate? What are the methods of international financial standards like the floating and the pegged rates? Explain the differences with illustrations

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Test 1

Course: **MBA A 108 International Business and Emerging Markets** (Closed Book)

Max Marks: 30

Max Time: 50 Min

Weightage: 15 %

22 Feb 2016

Set A

**Choose the correct alternative**

(5Q x 1 M= 5M)

1. Which of the following is considered a primary type of international business?
  - a) Domestic production
  - b) Management contracts
  - c) Franchising
  - d) Licensing
  - e) Export-import trade
  
2. Which of the following statements best summarizes the role of international business during the Roman Empire?
  - a) International business did not have a vital role
  - b) International business was detrimental to prosperity during the Roman Empire
  - c) International business played a vital role in the formation of the Roman Empire
  - d) International business played a vital role in the decline of the Roman Empire
  - e) International business played a vital role in the for formation and decline of the Roman Empire
  
3. An American peace beginning in 1945 that resulted in increased international business transactions is called:
  - a) Pax Americana
  - b) The American Dream
  - c) Pax Romana
  - d) Western Peace
  - e) World Peace
  
4. Companies that invest in countries around the globe are best described as:
  - a) Parent companies
  - b) Offshore companies
  - c) Globalized businesses
  - d) Multinational corporations
  - e) International companies
  
5. In recent years, India has gained competitive advantage in providing radiology services. Radiology charts can now be transmitted from anywhere in the world. This change illustrates:
  - a) The increasing mobility of services
  - b) The rise in health care costs in developed countries
  - c) The global reorientation of production strategies
  - d) The financial crisis beginning in 2007
  - e) The rising cost of real estate

**Q 2. Briefly answer the following**

(3Q x 5M = 15M)

- A. How did international business play a role in the rise and fall of the Roman Empire?
- B. Describe the need for international business.
- C. What are the motives for Protection by any country?

**Q 3 State the difference between a global, transnational, international and multinational company**

(10 M)