

Register No.: Name.:

SAINTGITS COLLEGE OF ENGINEERING (AUTONOMOUS)

(AFFILIATED TO APJ ABDUL KALAM TECHNOLOGICAL UNIVERSITY, THIRUVANANTHAPURAM)

THIRD SEMESTER MBA DEGREE EXAMINATION (Regular), FEBRUARY 2022**(2020 Scheme)****Course Code : 20MBA201****Course Name: International Business****Max. Marks : 60****Duration: 3 Hours****PART A***(Answer all questions. Each question carries 2 marks)*

1. Define the term 'international business'. Compare it with domestic business.
2. What are the advantages of DTAA in international business?
3. 'Price discrimination is indistinguishable from dumping'. Explain.
4. Compare the current account and capital account of the BOP.
5. "Foreign exchange exposures management is inevitable in international trade". Explain

PART B*(Answer any 3 questions. Each question carries 10 marks)*

6. Examine the role of globalization in development of international business.
7. Analyze the benefits of economic integration for the growth of international business.
8. Discuss the different modes of entry of an MNC into a new country of operations.
9. Examine the role of EXIM bank in extending financial support to the export-import trade of India
10. Distinguish between the theories of absolute advantage and comparative advantage.

PART C*(Compulsory question, the question carries 20 marks)*

11. IOC has formed a wholly owned subsidiary in Mauritius - Indian Oil Mauritius Ltd. (IOML) with a huge projected investment. The company is setting up a state -of-the art bulk storage terminal at Mer Rouge to stock 24 thousand Metric tons of vital petroleum products, auxiliary and bunkering facility and 25 modern petrol (and Gas) stations. IOML is also in the process of building infrastructure for storage, bottling and distribution of Indane, LPG and market servo lubricants in Mauritius. Besides, IOC has also formed a wholly-owned subsidiary in Sri Lanka - known as Lanka IOC Pvt. Ltd. (LIOC). LIOC took over 100 retail outlets owned by Ceylon Petroleum Corporation in February 2003. It is the only private-owned company besides the State-owned Ceylon Petroleum Corporation (CPC) that operates retail petrol stations in Sri Lanka.

Building and operating storage facilities at Trincomalee tank farm, LIOC is involved in bulk supply to industrial consumers. In order to facilitate operations of Lanka Indian Oil Corporation Pvt. Ltd. (LIOC), the Government of Sri Lanka has extended the following concessions:

a. A tripartite agreement signed between the Sri Lankan Government, CPC and LIOC guarantees that only three retail players (including CPC and LIOC) will operate in the Sri Lankan market for the next five years.

b. LIOC has also been allowed income tax exemption for 10 years from the date of commencement of operations and a concessional tax of 15% thereafter against the prevailing rate of 35%.

c. The Indian Oil subsidiary has also been granted customs duty exemption for import of project-related plant, machinery and equipment during project implementation period of 5 years, besides free transfer of dividend/income to India.

a) Analyze the factors affecting IOC'S selection of this entry mode. If a single-entry strategy needs to be adopted which one would be a better strategy? Why?
Marks (10)

b) In view of the emerging economic and political scenario, evaluate IOC'S entry into Sri Lanka as a Wholly Owned subsidiary.
Marks (10)
