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ST. JOSEPH'S COLLEGE (AUTONOMOUS), BANGALORE-27
M.Com – I SEMESTER
END SEMESTER EXAMINATION, DEC 2020
MCO7320: INTERNATIONAL BUSINESS

Time: 2 ½ Hours

Max Marks: 70

This paper contains two printed pages and four parts

Section A

I Answer any ten of the following

(10 X 2 = 20 marks)

1. State the reasons for deglobalisation
2. Define international marketing intelligence
3. Mention any four benefits of joint venture
4. Who is an expatriate?
5. Why did McDonald's and Kellogg's initially fail in India?
6. Capitalism, socialism or mixed economy. Which of these are more suitable form of economic system for MNCs? And Why?
7. What is international human resource management?
8. Identify the differences between international marketing and international business
9. What is a greenfield investment?
10. Highlight the reasons for Brexit
11. Differentiate outsourcing and offshoring
12. "MNCs think local but act global", explain this statement

Section B

II Answer any three of the following

(3 x 5 = 15 marks)

13. What is economic integration? Briefly explain various levels of integration
14. Analyse the objectives of international business
15. What is the purpose of studying political ideologies in international business? Diagrammatically present the components of political environment
16. Evaluate the purpose of environmental scanning
17. Outline various approaches in selecting expatriates

Section C

III Answer any two of the following

(2 x 10 = 20 marks)

18. Discuss alliance routes of entering international business with atleast one example for each route.
19. Explain reasons for expat failure and also suggest ways of avoiding it.
20. Moody's says, even prior to COVID-19, Indian economy was in bad shape and a host of factors made the country less attractive for investment. Identify and evaluate the factors that has made India vulnerable for foreign direct investment.

Section D

IV Compulsory Question

(1 X 15 = 15 marks)

Entering an international market with a proper EPRG approach

The Toyopet Crown (a sedan car manufactured by Toyota) had become an overnight sensation in Japan when it made its debut in 1955. It was a huge hit in Tokyo. Capitalizing on the success of this car, Toyota had the ambitions of enter US markets, research confirmed that Los Angeles area would be an ideal base of operations. L.A was leading market for imported cars in USA and provided easy convenience as a port of entry. On October 31, 1957, the Japanese car company Toyota established its U.S. headquarters in Hollywood, California. Toyota executives hoped to saturate the American second-car market with their small and relatively inexpensive Toyopet Crown sedans. Ads for the Toyopet Crown called it "the kind of car that American families have been asking for" and touted it as "the world's greatest automotive value." Unlike its debut in Japan, the Toyopet Crown was an overnight flop when it hit streets of US, its design was not suitable for the US highway system. Driven at normal free speed of 60mph, it lost power, overheated and shook violently. It consumed excessive gas and oil. The interior cabin was ill-suited for the average American, with their long legs and arm. Anyone over medium height had difficulty negotiating the limited headroom. The car failed miserably and was yanked for the American market. The glaring failure and the ability to learn from it, became a driving force behind Toyota's newfound respective systems. Toyota leaders at all level vowed never gain to design and market another product in a vacuum. They returned to their roots. In 1961, Toyota dealers stopped selling the car in the United States. Four years later, the company introduced the Corona, a sedan designed especially for American drivers that was even more affordable than the Toyopet but featured luxuries like air-conditioning, automatic transmissions, carpeting, sun visors, arm rests, tinted windows and glove compartments. The Corona was a huge hit and it set the stage for another Toyota home run: The Corolla, introduced in 1968. The Corolla went on to become the best-selling passenger car in history.

1. In the context of above case identify factors be analyzed before entering international market. Mention the factors which Toyota failed to recognize (5M)
2. Explain various approaches of International orientations. Which approach was followed by Toyota before and after entering USA in the above case? (10M)

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