

**SUBJECT:** BCH-6.4 DSE GROUP B(d): INTERNATIONAL BUSINESS

**COURSE:** B.COM. (H) SEMESTER VI

**CONTENT:** REVISION QUESTIONS

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# Revision Questions

- What do you understand by the term 'Globalization'? What are the different facets of globalization? Briefly discuss the drivers of Globalization.
- What are the complexities involved in international business? Compare and contrast it with domestic business. Explain how the location of a country and its topography affect the operations of a global business firm.
- What do you understand by International Business? Critically examine the factors that have contributed to the growth of international business in the last few decades.
- Why do companies globalize? Explain with suitable examples.
- Explain the concept of Globalization. What are the benefits and ill effects of Globalization?
- Discuss the various orientations towards international business.

- Write a short note on EPRG Framework.
- Explain the various international stages.
- List and explain the different modes of entry for an international business firm.
- Describe the contractual entry modes in international business.
- ‘A global business firm works in a complex, multifaceted environment’. Explain.
- Give a brief account of the differences between economic and cultural environment of business between nations and their implications for business.
- Discuss how diverse political and economic environments impact International Business.
- Give a brief account of the differences between economic and cultural environment of business between nations and their implications for business.
- Explain different elements of the cultural environment, which have an impact on international business operations.

- Discuss the silent features of world trade and discuss recent trends in world trade.
- Do you agree that India's trade trends have significantly changed in the 21<sup>st</sup> century? Briefly explain the changes.
- Compare the theory of absolute advantage with the theory of comparative advantage, and comment on their relevance in the present era of modern trade.
- How does the factor proportions theory explain trade between nations? How does the Leontief paradox modify its explanation?
- Analyze the product life cycle theory of international trade in detail. What criticisms are leveled against it?
- Explain Porter's theory of national competitive advantage as a theory of international trade.
- Explain New Trade Theory of International Trade. What is the role of economies of scale and first mover advantage?

- What are barriers to trade? Distinguish between the effects of tariff and non-tariff barriers on trade between nations.
- What is the basic rationale of trade intervention by the govt. also, explain various commercial policy instruments used by various government to regulate foreign trade.
- Give a brief account of the types of non-tariff barriers and their impact on international business.
- What is balance of payments account? What are its different components?
- ‘The balance of payments account is a cash flow statement that records the flow of foreign exchange from all transactions over a period of time’. Discuss.
- Distinguish between balance of trade and balance of payments account. Briefly explain the reasons for the adverse balance of payments situation in India.
- Explain the term ‘disequilibrium’ in the context of a country’s balance of payments.

- Explain the factors which led to the creation of the GATT.
- ‘The failure of the GATT led to the creation of the WTO’, Do you agree? Give reasons.
- Discuss the organizational structure, basic principles and functions of the WTO.
- Explain the role and performance of WTO.
- What are the objectives of dispute settlement mechanism? Explain the process of dispute settlement.
- Explain the need for the establishment of the UNCTAD as a multilateral trade negotiation body.
- Discuss the role and functioning of UNCTAD in detail.
- Explain the structure, functioning and major objectives of the IMF.
- Explain the structure, functioning and major objectives of the World Bank.
- Compare and contrast the role of IMF and World Bank as global financial regulators.

- Discuss the integration efforts among countries in Europe, North America and Asia.
- ‘Regional economic integration results in trade creation and trade diversion’. Critically evaluate this statement, giving suitable examples.
- ‘Economic integration is achieved after passing through different stages’. Analyze the statement with suitable examples. How successfully has ASEAN promoted integration in the Asian region?
- Trace the different stages on the formation of the European Union.
- NAFTA has produced significant benefits for the Canadian , Mexican and US economies. Discuss these benefits.
- Write short notes on:
  - SAARC
  - NAFTA
  - EU
- ASEAN
- Explain the costs and benefits of regional economic integration.

- What is Gold Standard System? How the exchange rates are determined under this system.
- What are the reasons for the failure of Gold Standard System?
- Explain the Bretton wood's system and its breakdown.
- Trace the different stages of the evolution of the modern monetary system.
- Distinguish between the fixed and floating exchange rate regime. Which system do you think is suitable in the current international business scenario?
- Write short notes on:
  - Managed float vs. independent float
  - Currency board arrangement
  - Crawling peg vs. fixed peg
  - Target zone arrangement

- Describe the important functions of the foreign exchange market. What are the different types of foreign exchange markets?
- List the various participants of foreign exchange market.
- Give a brief account of foreign exchange risks. How are these risks managed?
- Explain the factors affecting Bid Ask Spread.
- Distinguish between:
  - Foreign exchange risk and foreign exchange exposure
  - Fixed and flexible exchange rate systems
  - Direct and indirect quote
  - Bid and ask rate
  - Spot and forward rate
  - Arbitrage, speculation and hedging
  - Future contract and forward contract

- Write Short notes on:
- Long and short forward position
- Forward premium and discount
- International money market
- International capital market
- International bond market
- International stock market
- Explain in detail the theories of exchange rate determination.
- What are the factors which affect and influence the value of the equilibrium exchange rate?
- Explain how the forces of demand and supply contribute in setting the equilibrium exchange rate.
- What is currency convertibility? Explain its importance as an aspect of a country's exchange rate policy.
- Explain the role of government intervention in influencing the exchange rate.
- Critically evaluate purchasing power parity theory.

- Explain interest rate parity theory. What are its limitations?
- Write a short note on Fisher effect and International Fisher effect.
- What are the measures taken by the Government of India to promote FDI in India? Briefly analyze the impact of such measures in recent years.
- Distinguish between foreign direct investment and foreign portfolio investment. What factors motivate foreign investment?
- Briefly explain Indian joint ventures and acquisitions abroad.
- Explain the concept of strategic alliances. Briefly explain the advantages and disadvantages of strategic alliances.
- Discuss the effects of FDI on home and host countries.
- What are the different modes of entry for a firm undertaking FDI activity?
- Discuss the different forms that FDI activity can take.
- Explain the global FDI patterns in details.

- Distinguish between:
  - Horizontal and vertical FDI
  - Market-seeking and strategic asset-seeking FDI
  - Greenfield and brown field investment
  - Branch office and umbrella holding companies
- Distinguish between SEZs and EOUs.
- What measures have been taken by the Indian government to promote foreign trade? Mention the various organizational set up for the same.
- Write short notes on:
  - EOUs
  - FTP 2015-2020
  - Special economic zones