

**COURSE: B.COM (HONS.)**

**SEMESTER: VI**

**PAPER: INTERNATIONAL BUSINESS**

**ASSIGNMENT QUESTIONS**

- 1) Explain the concept of Globalisation. What are the elements and drivers of globalisation?
- 2) What are the complexities involved in international business? Compare and contrast it with domestic business.
- 3) What is Balance of Payment (BOP) Account. List out the various constituents of BOP.
- 4) Enumerate the different modes of entry into the international business.
- 5) Critically analyse the various commercial policy instruments (trade barriers) used by the government to regulate foreign trade.
- 6) Explain Porter's theory of national competitive advantage as a theory of International Trade.

**INTERNAL TEST QUESTIONS**

Q1. What do you understand by international business? Enumerate the factors that have led to the growth of international business in past few decades.

Q2. A global business firm operates in an environment which is complex and multidimensional. Explain the salient features and different elements of international business environment.

Q3. Analyse the theory of National Competitive Advantage of international trade in detail. What criticisms are levelled against it.

Q4. Economic Integration is achieved after passing through different stages. Analyse the statement giving suitable examples.

Q5. Write Short notes on the following:

- i. Leontief Paradox
- ii. Fixed and floating exchange rate system.
- iii. Foreign exchange exposure
- iv. Types of FDI

### MULTIPLE CHOICE QUESTIONS

1. The first phase of globalization started around 1870 and ended with
  - a. World war I
  - b. World war II
  - c. The Establishment of GATT
  - d. In 1913 when GDP was High

Ans: (A)

2. IBRD (international bank for reconstruction and development) also known as
  - a. Exim Bank
  - b. World Bank
  - c. International monetary fund
  - d. International bank

Ans: (B)

3. Ultimately .....was replaced by the .....on 1<sup>st</sup> Jan 1995
  - a. GATS,WTO
  - b. WTO,GATT
  - c. GATT, WTO
  - d. IMF, GATT

Ans: (C)

4. Which is the right sequence of stages of internationalization
  - a. Domestic, Transnational, Global, international, Multinational
  - b. Domestic, International, Multinational, Global, Transnational
  - c. Domestic, Multinational, international, transnational, Global
  - d. Domestic, International, Transnational, Multinational, Global

Ans: (B)

5. According to this theory, the holding of a country's treasure primarily in the form of gold constituted its wealth,
  - a. Gold Theory
  - b. Ricardo Theory
  - c. Mercantilism
  - d. Hecksher Theory

Ans: (C)

6. The Theory of Absolute cost advantage is given by
- David Ricardo
  - Adam Smith
  - F W Taylor
  - Ohlin and Heckscher

Ans: (B)

7. Globalization Refers to
- Lower incomes worldwide
  - Less foreign trade and investment
  - Global Warming and their effects
  - A more integrated and interdependent world

Ans: (D)

8. Which of the following is not a force in the porter five factor model?
- Buyers
  - Suppliers
  - Complementary products
  - Industry rivalry

Ans: (C)

9. Comparative cost trade theory is given by
- Adam Smith
  - David Ricardo
  - Gottfried Haberler
  - Heckscher Ohlin

Ans: (B)

10. The ..... Company Produces, Markets, invests and operates across the world
- Global
  - International
  - Transnational
  - Multinational

Ans: (C)

11. ....is only a legal agreement and it is not an institution, but .....is a permanent institution.
- GATT, WTO
  - WTO, GATT
  - WTO, IMF

d. IMF, GATT

Ans: (A)

12. ....Is the first step in the internationalization process

- a. License
- b. Foreign investment
- c. Sales
- d. Exports

Ans: (A)

13. ....is the payment method most often used in international trade which offers the exporter best assurance of being paid for the products sold internationally

- a. Bill of Lading
- b. Letter of Credit
- c. Open Account
- d. Drafts

Ans: (B)

14. NAFTA Stands for

- a. North African trade association
- b. North American Free Trade Agreement
- c. Northern Atlantic Trade Agreement
- d. Northern Association for trade

Ans: (B)