

This question paper contains 3 printed pages.]

Your Roll No. ....

1887

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**PGDIM/I Sem.**

**Paper 4–International Business Environment**

*Time : 3 Hours*

*Maximum Marks : 70*

*(Write your Roll No. on the top immediately  
on receipt of this question paper.)*

*Attempt all questions.*

1. “Two factors seem to underline the trend towards globalization. It is declining trade barriers and changes in technology.” Explain this by giving suitable examples. 14

**Or**

- (a) How important is the political environment of the host country for the conduct of international business? Discuss. 7
- (b) Distinguish between High Context and Low Context Cultures. 7

[P.T.O.]

2. "Trade theories suggest that free trade is a positive-sum game, in which all participating countries stand to gain." Justify your answer. 14

*Or*

What are the modes of regulating foreign trade at the national level? Present arguments for restricting imports. 14

3. (a) Explain trade creation and trade diversion in an economic integration scheme. 7
- (b) Elaborate on any two regional economic integration schemes of Asia. 7

*Or*

Differentiate between resource seeking, market seeking and efficiency seeking FDI. What are the costs and benefits of FDI to the host country? 14

4. "Multinationals do not frame world wide strategies but regional strategies." What does this statement mean and how does it help us in better understanding of international business? 14

*Or*

Summarise the initial aims of the Bretton Woods institutions—the IMF and the World Bank. How have their roles evolved since their formation? 14

5.

**Application**

Unions in developed nations often oppose imports from low wage countries and advocate trade barriers to protect jobs from what they often characterise as 'unfair' import competition. Is such competition unfair? Do you think that this argument is in the best interest of the (a) unions (b) people they represent and or (c) country as a whole?

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