


Name:			
Enrolment No:			
<b>UNIVERSITY OF PETROLEUM AND ENERGY STUDIES</b> <b>End Semester Examination, December 2018</b>			
<b>Course: International Business Management</b> <b>Programme: MBA (Oil and Gas)</b> <b>Time: 03 hrs.</b> <b>Instructions: This question paper has 4 pages.</b>		<b>Semester: III</b> <b>Course Code : INTB 8003</b> <b>Max. Marks: 100</b>	
<b>SECTION A (20 Marks)</b> <b>Instructions: All questions in this section are compulsory. Each question carries 1 mark.</b>			
S. No.		Marks	CO
Q 1	Freight charges are borne by..... in case of FOB contract. (Issuing Bank/Confirming Bank/ Buyer/ Seller/CHA/Govt.)	(1)	CO1, CO2
Q 2	<b>Prohibited items</b> can be imported provided a license is issued by ..... (DGFT/CBEC/EPC/Buyer/None ).	(1)	CO1, CO2
Q 3	The Customs Duty Rate and customs clearance procedures are decided by ..... (CBDT/DGFT/CBIC)	(1)	CO1, CO2
Q 4	What all is wrong in this quotation (Incoterms) for export of <b>Iron Ore</b> from India? <b>Buyer is in Australia.</b>  "Rs. 55/- per barrel CIF (JNPT, Mumbai, India)"	(1)	CO1, CO2
Q 5	In "CIF" terms of contract, <b>unloading expenses at port of destination</b> are borne by .....(seller /buyer).	(1)	CO1, CO2
Q 6	An L/C is issued by a bank at the time of/after..... (Shipment of goods/signing contract/receiving payment).	(1)	CO1, CO2
Q 7	PEST analysis is used to ascertain the production capability of the exporter. True/False	(1)	CO1, CO2
Q 8	In a Horizontal Merger, one company merges with a.....(competitor/supplier/unrelated business)	(1)	CO1, CO2
Q 9	In "Piggyback" exports, the one who ships his goods through an established exporter is called (carrier/rider/buying agent)	(1)	CO1, CO2

Q 10	If you have to pay more rupees to buy a dollar then it means Dollar has become “stronger” and Rupee is getting “weaker”. True/False	(1)	CO1, CO2
Q 11	Greenfields investment means 100% acquisition of an established business in foreign country. T/F	(1)	CO1, CO2
Q 12	A buying Agent is the representative of an..... In another country. (Exporter/importer/govt.)	(1)	CO1, CO2
Q 13	“Dumping” means exporting a product at a price higher than the local selling price. True/False	(1)	CO1, CO2
Q 14	Licensing strategy entails transfer of IPR to Licensee in exchange of Royalty fee. True/False	(1)	CO1, CO2
Q 15	Import of manpower is also covered in International Business. . True / false / Can't Say.	(1)	CO1, CO2
Q 16	The Foreign Trade Policy of India is formulated by..... (CBDT/DGFT/CBIC/Min. of External Affairs)	(1)	CO1, CO2
Q 17	India cannot increase Import Duty rates beyond certain rate because of its commitment to..... (USA/EU/WTO/Iran)	(1)	CO1, CO2
Q 18	Heckscher-Ohlin model is also known as Factor Proportion Theory of International Business. True/False	(1)	CO1, CO2
Q 19	In case of “DDP” incoterms, Import Duty is borne by .....(Customs/Transporter/Importer / Exporter).	(1)	CO1, CO2
Q 20	A country's 'value system', 'norms', 'aesthetics' etc. are constituents of .....environment. (Political/Cultural/Legal)	(1)	CO1, CO2
<b>SECTION B (20 MARKS)</b>			
<b>Instructions: Attempt any 4 questions. Each question carries 5 marks.</b>			
Q 1	When the US Dollar becomes stronger in terms of INR, some people are very happy while some are doomed. Who are the ones happy and who are those unhappy? Explain with an example.	(5)	CO3

Q 2	One of the ways of a secured business transaction between an exporter and importer is the use of “Documentary Credit” or “Letter of Credit”. How does it work and how does it ensure receipt of payment to the exporter? How does an L/C differ from a Bank Guarantee.	(5)	CO3
Q 3	Use of proper “Incoterms” at the time of giving a quotation by the seller, minimizes the risk of commercial disputes between the buyer and seller. What are these terms and how do they assign risks and costs between the buyer and seller? Explain at least 5 incoterms and their interpretation, <b>clearly mentioning the point of delivery</b> in each case.	(5)	CO3
Q 4	What does the Theory of Absolute advantage say about International Business? Explain with a hypothetical example with connected assumptions.	(5)	CO3
Q 5	A meticulous study of prevailing environments in the target country plays a crucial role in the success or failure of International Business. Political environment affect Tariff and Non-Tariff Barriers (NTB) to trade. What are these NTBs and how do they restrict imports? Explain with examples.	(5)	CO3
<b>SECTION-C (30 MARKS)</b>			
<b>Instructions: Attempt both the questions. Each question carries 15 marks.</b>			
Q 1	What do you understand by the term “Globalisation”? What factors lead to/influence globalization and what factors restrict its happening? Is globalization possible in the prevailing geo-political situation where USA has imposed sanctions on Iran and Russia, leading to global energy crisis? Critically Comment.	(15)	CO3, CO4
Q 2	<p>What do you understand by Customs Duty? How does an increase or decrease regulate the imports of products into India? Who pays this duty to whom and in which currency? What will be the exact import duty to be paid in the following situation:</p> <p>a. Contract value of 100 mobile phones negotiated with the US exporter      <b>US \$ 150,000</b></p> <p>b. Customs Duty rate applicable to the product      <b>20 %</b></p> <p>c. Prevailing US \$ conversion rate:</p> <p>    i. Buying Rate      <b>1 US\$ = Rs.70.50</b></p> <p>    ii. Selling Rate      <b>1 US\$ = Rs.73.25</b></p> <p>Calculate the customs duty to be paid on the above mentioned imports.</p>	(15)	CO3, CO4

**SECTION-D (30 MARKS)****Instructions:**

Q	<p>Every businessman dreams of expanding his business globally not only to have a larger market for his product but also to source his raw material and other factors of production at the lowest price with best quality combination, so that he can compete with his competitors in the domestic market.</p> <p>But the environments in the global markets and the internal environment of his own business force him to evaluate all options available so that he can make the maximum profits with minimum risks.</p> <p>What are all the options/<b>strategies available</b> to a budding global businessman <b>for entering a foreign market</b> and what are the situations/<b>factors (Internal and External) that would affect his decision</b>. Also analyze as to what option would best suit each situation and why?</p>	(30)	CO4
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