

(8 pages)

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M.Com. (CBCS) DEGREE EXAMINATION,
NOVEMBER 2024.

Third Semester

Commerce — Core

INTERNATIONAL BUSINESS

(For those who joined in July 2023 onwards)

Time : Three hours

Maximum : 75 marks

PART A — (15 × 1 = 15 marks)

Answer ALL questions.

Choose the correct answer :

1. Which of the following is a key characteristic of globalization?
 - (a) Increasing barriers to international trade
 - (b) Reduced communication between countries
 - (c) Integration of markets, cultures and ideas worldwide
 - (d) Decreased movement of people and capital across borders

2. Export refers to _____.
 - (a) Selling goods or services domestically
 - (b) Importing goods from foreign countries
 - (c) Sending goods or services to a foreign country for sale
 - (d) Bartering goods with other countries
3. Which of the following is a common fee paid by the franchisee to the franchisor?
 - (a) Dividend
 - (b) Royalty
 - (c) Commission
 - (d) Subscription
4. Free trade agreements are primarily intended to _____.
 - (a) Protect domestic industries from foreign competition
 - (b) Establish common laws between nations
 - (c) Facilitate trade by reducing tariffs and quotas
 - (d) Promote environmental regulations
5. Domestic trade refers to
 - (a) Trade between two or more countries
 - (b) Exchange of goods and services within the same country
 - (c) Importing goods from foreign markets
 - (d) Establishing trade agreements with neighboring nations

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6. Which of the following is the main principle of Haberler's opportunity cost theory?

- (a) Specialization based on absolute cost differences
- (b) Specialization based on labor productivity alone
- (c) Specialization based on the opportunity cost of producing goods
- (d) Specialization based on government subsidies

7. Which of the following is a type of countertrade?

- (a) Free trade
- (b) Barter
- (c) Licensing agreement
- (d) Foreign direct investment

8. Which of the following is NOT a requirement for a valid contract?

- (a) Offer and acceptance
- (b) Legal capacity of the parties
- (c) Unlawful consideration
- (d) Free consent of the parties

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9. Who is responsible for the sale of goods in a consignment sale arrangement?

- (a) The buyer (b) The consignor
- (c) The consignee (d) The manufacturer

10. Which of the following is NOT a characteristic of a customs union?

- (a) Removal of tariffs between member countries
- (b) Adoption of a common external tariff
- (c) Establishment of a single currency among member countries
- (d) Harmonization of trade policies towards non-member countries

11. Which countries were involved in the North American Free Trade Agreement (NAFTA)?

- (a) United States, Canada, and Mexico
- (b) United States, Canada, and Brazil
- (c) United States, Mexico, and Argentina
- (d) Canada, Mexico and Chile

12. When was the Association of Southeast Asian Nations (ASEAN) founded?

- (a) 1957 (b) 1967
- (c) 1976 (d) 1984

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[P.T.O.]



13. Which of the following is a characteristic of a multinational corporation?

- (a) Operates exclusively in its home country
- (b) Manages production or provides services in multiple countries
- (c) Focuses only on local market operations
- (d) Has no international investment or operations

14. The common strategy used by MNCs to enter foreign market is _____

- (a) Exclusive focus on domestic markets
- (b) Franchising
- (c) Limiting international trade
- (d) Restricting investment in foreign countries

15. Negative effect of MNCs on a host country is _____

- (a) Increased local culture and traditions
- (b) Loss of local culture
- (c) Lower employment rates
- (d) More local business

PART B — (5 × 4 = 20 marks)

Answer ALL questions, choosing either (a) or (b).
Each answer should not exceed 250 words.

16. (a) Summarise the scope of international business.

Or

(b) Explain the various stages of internationalization of business.

17. (a) Examine the various assumptions of Heberler's theory of opportunity cost.

Or

(b) Analyze the criticism of Dunning's electric theory of international production.

18. (a) Compare criminal procedure code with civil procedure code.

Or

(b) Categorize are the principles in law for business across borders.

19. (a) Discuss the various objectives of NAFTA.

Or

(b) Justify the features of free trade area.



20. (a) Evaluate the cultural difference between home and host countries affect the operations of multinational companies.

Or

- (b) Analyse how multinational companies influence the economic development of host countries?

PART C — (5 × 8 = 40 marks)

Answer ALL questions, choosing either (a) or (b)
Each answer should not exceed 600 words.

21. (a) Describe the advantages of international business.

Or

- (b) Analyse the methods of entry into foreign markets.

22. (a) Illustrate comparative cost advantage theory.

Or

- (b) How would you evaluate Heckscher – Ohlin model?

23. (a) Explain the common law and their implications.

Or

- (b) Elaborate the concept of payment term and its types.

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24. (a) Analyse the role of WTO.

Or

- (b) Examine the objectives of SAARC.

25. (a) Justify the characteristics of multinational companies.

Or

- (b) Evaluate the impacts of multinational companies on host countries.
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