

Total No. of printed pages = 5

63/2 (SEM-4) MCO 401

2023

COMMERCE

(Theory Paper)

Paper Code : MCO 401

(International Business)

Full Marks – 80

Pass Marks – 32

Time – Three hours

**The figures in the margin indicate full marks
for the questions.**

1. Choose the correct answers : 1×6=6

**(a) Which one of the following creates
opportunity for International Business ?**

- (i) Privatisation**
- (ii) Globalisation**
- (iii) Monopoly**
- (iv) All of the above**

[Turn over

- (b) The full form of NAFTA is
- (i) North American Free Trade Agreement
 - (ii) North Atlantic Free Trade Association
 - (iii) North Asia Free Trade Association
 - (iv) North Australia Free Trade Association

- (c) FDI decisions are affected by
- (i) Government policy
 - (ii) Cultural environment of a country
 - (iii) Education
 - (iv) None of these

- (d) Foreign exchange rate is
- (i) the price of one currency in terms of other currency
 - (ii) a type devaluation
 - (iii) Both (i) and (ii)
 - (iv) None of these

- (e) ADB is
- (i) an international organisation
 - (ii) a regional organisation
 - (iii) a local organisation
 - (iv) None of these

- (f) Foreign exchange market is
- (i) centre of trade for the different currencies
 - (ii) centre of trade for the different commodities
 - (iii) centre of trade for the different ideas
 - (iv) All the above.

2. Answer the following questions : $2 \times 5 = 10$

- (a) What is FII ?
- (b) What is meant by strategic alliance ?
- (c) What is exchange rate regime ?
- (d) What is foreign exchange ?
- (e) Mention any two methods of foreign exchange rate determination.

3. Answer any *six* of the following questions :

5×6=30

- (a) Distinguish between domestic and international business. 5
- (b) Explain the factors to be considered while doing international business. 5
- (c) Explain in brief, the various types of Foreign Direct Investment. 5
- (d) State the advantages and disadvantages of Foreign Institutional Investors. $2\frac{1}{2}+2\frac{1}{2}=5$
- (e) Examine the merits and demerits of merger and acquisitions. $2\frac{1}{2}+2\frac{1}{2}=5$
- (f) Write a note of SAARC. 5
- (g) Write the differences between floating and fixed exchange rate. Which one is more applicable is India ? Give reasons. $4+1=5$
- (h) Discuss the PPP theory of exchange rate determination. 5
- (i) Discuss the role of Regional Economic Integration in international business. 5

4. Answer any *two* of the following questions :

10×2=20

- (a) State the objectives of strategic alliance. Elaborate its merits and demerits. $4+3+3=10$
- (b) What is MNC culture ? Explain how MNC culture can affect the business environment of a particular nation. $2+8=10$
- (c) Discuss the merits and demerits of regional economic integration. $5+5=10$

5. Answer any *one* of the following questions :

14×1=14

- (a) Explain the positive and negative impact of MNCs on domestic market. $7+7=14$
- (b) How does ASEAN promote international business ? Discuss. 14