D5BHC2305 (PAGES: 2) **Reg. No.....**

Name: .....

FIFTH SEMESTER UG DEGREE EXAMINATION, NOVEMBER 2025

(Regular/Improvement/Supplementary)

B. Com. HONOURS

GBCH5E02T: INTERNATIONAL BUSINESS

Time: 3 hours **Maximum Marks: 80**

Part A. Answer *all* the questions. Each carries *one* mark.

Choose the correct answer.

1. Which stage of internationalization involves a company exploring foreign markets but not yet committing to significant investment?
   A) Global phase B) Exporting C) Transnational phase D) Importing
2. Which of the following is an example of a non-tariff barrier?
   A) Import quotas B) Customs duties C) Excise taxes D) Tariffs
3. Which organization focuses on issues related to trade, investment, and development, particularly for developing countries?
   A) World Bank B) IMF C) WTO D) UNCTAD
4. Which factor does NOT typically affect exchange rates?
   A) Relative inflation rates B) Government controls
   C) Relative interest rates D) Historical stock market trends
5. In the context of international business, which of the following is a key ecological consideration?
   A) Reducing carbon footprint B) Maximizing short-term profits
   C) Minimizing employee training costs D) Expanding into high-risk markets

Fill in the Blanks.

6. The _____ investment type involves upgrading or renovating existing facilities rather than starting new projects.
7. A _____ peg involves pegging the currency within a certain range or band, while a _____ peg involves periodic adjustments based on criteria.
8. _____ alliances are collaborative agreements between companies from different countries to work together on business ventures.
9. The process of outsourcing, especially in the context of India, can potentially lead to _____ in operational costs and improvement in business efficiency.
10. When a company invests directly in facilities to produce or market a product in a foreign country, it is engaging in _____.

(10 × 1 = 10 Marks)

(PTO)

Part B. Answer any *eight* questions. Each question carries *two* marks.

11. Describe the stages of internationalization for a business.
12. How can outsourcing be beneficial for India's economy?
13. What is one major cost associated with regional economic integration?
14. What are the main factors that affect exchange rate?
15. What is a major ecological consideration that businesses need to address in international operations?
16. Define a crawling peg exchange rate system.
17. What is a major criticism often levelled against the IMF?
18. Explain the role of cultural differences in international business.
19. What are the political-legal factors that influence international business operations?
20. Describe the concept of free float exchange rate system.

(8 × 2 = 16 Marks)

Part C. Answer any *six* questions. Each question carries *four* marks.

21. Discuss the impact of globalization on international business. Highlight the key differences between international and domestic business operations, and outline the various modes of entry into international markets.
22. What is the Factor Proportion Theory (Heckscher-Ohlin Theory) in international trade? Provide an example to illustrate this theory.
23. Evaluate the potential impact of Foreign Direct Investment (FDI) on the local job market and technological development in a developing country.
24. Discuss the types of exchange rate systems and their impact on international trade and finance.
25. Analyse the role of outsourcing in India's economic growth, and discuss its potential implications for local employment.
26. Describe how ecological considerations can influence international business operations, providing examples of both positive and negative impacts.
27. Explain why international businesses need to understand cultural differences.
28. Differentiate between ethnocentric and polycentric orientations in international business.

(6 × 4 = 24 Marks)

Part D. Answer any *two* questions. Each carries *fifteen* marks.

29. Evaluate the concepts of arbitrage, hedging, and speculation in the foreign exchange markets. Discuss how these activities influence market efficiency, exchange rate stability, and financial risk management?
30. Examine the influence of the World Trade Organization (WTO) on international trade policies. How does the WTO facilitate trade negotiations and resolve disputes among member countries?
31. Discuss the Product Life Cycle Theory in the context of international trade. Explain its stages and how it affects the location of production and trade patterns over time.

(2 × 15 = 30 Marks)