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- (b) Explain the importance of verbal and non-verbal communication as an element of cultural environment. How does it affect international business ? 10

Or

- (c) "Globalisation has resulted in rapid growth of international business activity during the past few decades." What have been the drivers of globalisation and how have they contributed to expansion of international business ? 20

This question paper contains 4 printed pages]

Your Roll No.....

7734

M.Com. (NC)/II Sem.

E-I

Paper No. 4205 : International Business

Time : 3 Hours

Maximum Marks : 100

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

Attempt *All* questions.

All questions carry equal marks.

1. What are the different political systems and legal systems that exist in the world ? Explain. Also examine the importance of the political and legal environment of countries in international business decisions. 20

Or

Explain Porter's theory of national competitive advantage. How is it an improvement over the traditional theories of International trade ? 20

P.T.O.

2. Explain the various modes of entry in International business. What are the advantages and disadvantages associated with each of these modes ?

20

Or

Despite free trade being advocated by a number of trade theories, why do governments still intervene in international trade ? What are the various tariff and non-tariff measures adopted by countries to regulate international trade ?

20

3. (a) Distinguish between a customs union and common market. What are the economic benefits of these arrangements ?

10

- (b) What is Balance of Payments (BoP) ? Explain the various types of disequilibrium in BoP.

10

Or

- (c) Explain the internalization theory of FDI giving examples.

10

- (d) What was the Gold Standard? How was trade equilibrium achieved under the Gold Standard ?

10

4. Write notes on any two of the following : $2 \times 10 = 20$

(i) Leontif's paradox

(ii) Target zone arrangement

(iii) World Bank

(iv) Role of subsidies in agriculture

5. (a) What are the SPS and TBT Agreements of WTO ?

Explain.

10

P.T.O.