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5. Write notes on **any two** of the following :

(a) Dumping

(b) TRIPS agreement

(c) NAFTA

(10,10)

(800)

[This question paper contains 4 printed pages.]

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Your Roll No. ....

**M.COM. : SEMESTER – II (NC)**

**F-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. How does the theory of absolute advantage explain international trade ? Explain. How does the theory of comparative advantage differ from the theory of absolute advantage ? (20)

**OR**

“The merging of distinctly separate national markets into a global marketplace has contributed to the growth of international business”. Discuss the statement along with major arguments for and against globalization. (20)

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2. While contemplating doing business abroad, what are the different economic measures that managers use to assess a country's level of performance and potential ? Explain with examples. (20)

OR

Explain the various accounts in a Balance of payments (BoP) statement. What is meant by disequilibrium in the BoP ? Explain the different approaches to correction of disequilibrium in BoP. (20)

3. (a) Distinguish between licensing and franchising as a mode of entry in international business. Which of the two modes is more suitable for the fast food industry ? Explain. (10)
- (b) What are the major arguments supporting government intervention in international trade ? Explain. (10)

OR

- (c) What are the potential benefits and costs of FDI to the host country ? Explain. (10)

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- (d) What are the defining features of democracy ? Discuss how a democratic system is more conducive to the world of global business than totalitarianism. (10)

4. (a) What are the four modes of trading services under GATS of WTO ? Explain with examples. (10)

- (b) Explain the role of IMF in overseeing the functioning of the international monetary system. (10)

OR

- (c) What were the factors that led to the collapse of the fixed exchange rate system established under the Bretton Woods system ? (10)
- (d) What are local content requirements ? How do they affect domestic production and trade ? Explain. (10)

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