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63/2 (SEM-4) MCO 401

2022

**COMMERCE**

(Theory Paper)

Paper Code : MCO-401

**(International Business Management)**

Full Marks – 80

Time – Three hours

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

1. Choose the correct answer :  $1 \times 6 = 6$
- (i) Which of the following has grown to be one of the most important features of the World's economy ?

- (a) International Business
- (b) Privatisation
- (c) Globalisation
- (d) All of the above

[Turn over

(ii) Strategic alliance cannot be between :

- (a) Manufacturer and Supplier
- (b) Two or three firms
- (c) Competitors in business
- (d) Non-competitors

(iii) A process in which two or more countries agree to eliminate economic barriers, with the end goal of enhancing productivity and achieving greater economic interdependence is called

- (a) Economic Cooperation
- (b) Economic Union
- (c) Regional Economic Integration
- (d) Economic Association

(iv) The exchange rate regime under which has a legislative commitment to exchange the domestic currency against a specified foreign currency at a fixed exchange rate coupled with restrictions on the monetary authority to ensure that this commitment will be honoured is called

- (a) Crawling peg regime
- (b) Independently floating regime
- (c) Managed floating regime
- (d) Currency board arrangement regime

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(v) An Indian borrowing funds in US dollar from financial institutions located in China is an example of

- (a) Dollar currency market
- (b) Euro currency market
- (c) Multi-currency market
- (d) Inter-currency market

(vi) Which of the following exchange rate theories assumes that the cost of an identical good should be the same around the World ?

- (a) Interest rate parity theory
- (b) Monetary model theory
- (c) Economic data theory
- (d) Purchasing power parity theory.

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

- (i) What is meant by FDI ?
- (ii) What is Franchising Business ?
- (iii) What is Regional Economic Integration ?

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(iv) What is Exchange Rate Quotation ?

(v) Mention any two methods of forecasting exchange rate.

3. Answer any six from the following questions :

5×6=30

(i) State any six features of international business.

(ii) Explain in brief, the advantages and disadvantages of strategic alliance.

(iii) Discuss the role of IMF in promotion of international business.

(iv) State the objectives of SAARC.

(v) Distinguish between GDR and ADR.

(vi) Briefly explain the functions of foreign exchange market.

(vii) Write a note on hedging strategies.

(viii) Briefly explain the different exchange rate regimes, which a country can use to determine foreign exchange rates.

(ix) Write a note on interest rate theory of exchange rate determination.

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4. Answer any two of the following questions :

10×2=20

(i) Is MNC a boon or curse in a country like India ? Give your justification.

(ii) Discuss the evolution of Euro market.

(iii) Elaborate the role of ASEAN in promotion of international business.

5. Answer any one of the following questions :

14×1=14

(i) Explain the various forms of international business.

(ii) Critically examine the purchasing power parity theory of exchange rate determination.

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