



**PARVATHANENI BRAHMAYYA  
SIDDHARTHA COLLEGE OF ARTS & SCIENCE**

*Autonomous*

Siddhartha Nagar, Vijayawada-520010

*Re-accredited at 'A+' by the NAAC*

**22 BA4E1 : International Business**

Subject Code :	<b>22 BA 4E1</b>	I A Marks	30
No. of Lecture Hours / Week	03	End Exam Marks	70
Total Number of Lecture Hours	75	Total Marks	100
Practical Component	01 Hour/Week	Exam Hours	03
Course Focus	<b>Employability</b>	<b>Entrepreneurship</b>	Skill Development

<b>Course Outcomes</b>	
By the end of the course, students will be able to	
CO1	Understand the international business environment in the changing context of globalisation.
CO2	Understand the role of Trading Blocs and WTO to overcome barriers related to international trade and investment.
CO3	Examine the International investment practices and global financial flows and prospects.
CO4	Choose suitable market entry and functional strategies for doing international business.
CO5	Analyse MNEs' role in following social responsibility practices and ethics.

<b>Contribution of Course Outcomes towards achievement of Program Outcomes &amp; Strength of correlations (H-High, M-Medium, L-Low)</b>								
<b>22 BA 4E1</b>		<b>PO1</b>	<b>PO2</b>	<b>PO3</b>	<b>PO4</b>	<b>PO5</b>	<b>PO6</b>	<b>PO7</b>
	<b>CO1</b>	2		3				
	<b>CO2</b>	3		2				
	<b>CO3</b>		2					3
	<b>CO4</b>		3	3				
	<b>CO5</b>	3			3			

Units	Syllabus	No of Hours
<b>UNIT-I</b>	<b>International Business:</b> An Overview of International Business Environment, Globalization: Forces, Meaning, Dimensions and Stages in Globalization, De-globalisation Trends; Introduction to Theories of International Trade: Classical or Country-Based Trade Theories: <i>Mercantilism, Absolute Advantage, comparative Advantage, Heckher-Ohlin Theory</i> ; Modern Firm Based Theories: <i>Country Similarity, Product Life Cycle, Porter’s National Competitive Advantage</i> .	10 Hours
<b>UNIT-II</b>	<b>Trade and Investment</b> – International Trading Environment – Government policy impact on Trade and Investment Patterns – Tariff and Non-Tariff Barriers; Trade Agreements – Bi-lateral and Multi-lateral Trade Agreements; Trade Blocks – Regional Blocks – General Agreement on Trade and Tariffs (GATT), World Trade Organization - WTO Ministerial Conferences, IPRs, TRIPS, TRIMS.	8 Hours
<b>UNIT-III</b>	<b>Foreign Investment:</b> International Capital Flows – Types of Foreign Investment - FDI, FPI; Foreign Investment flows and barriers, Objectives of Capital Restrictions, Global Capital Flow Trends and Prospects. Introduction to Export and Import Finance: Methods of payment in International Trade, EXIM Policy, Objectives of the Exim Policy, Foreign Trade’s role in economic development.	9 Hours
<b>UNIT-IV</b>	<b>Global Business Strategies:</b> Country Evaluation and Market Selection, and Modes of Entry - Exporting, Turnkey Projects, Licensing, Franchising, Joint Venture and Wholly owned Subsidiary; Global Manufacturing Strategies, Outsourcing and Logistics – Global Supply Chain Management, Global Marketing Strategies and Global R&D - Driving Innovation and Growth for Business. International Business Negotiations & Diplomacy – Barriers and Exit Strategies.	9 Hours
<b>UNIT-V</b>	<b>Ethical and Sustainable Business Practices:</b> MNCs Social Responsibilities, OECD Principles of Corporate Governance and Corporate Social Responsibility; International Business Ethics: Changes and Challenges, The Moral Dilemmas of Globalization, Types of Global Corporate Codes of Conduct. ESG Imperative: Importance of Environmental, Social, and Governance (ESG) Orientation, Pillars of ESG, ESG Reporting Frameworks and Standards: <i>IFRS Sustainability Disclosure Standards, SASB Standards, CDSB Framework, GRI Standards, Task Force on Climate-related Financial Disclosures, United Nations Global Compact</i> .	9 Hours
	<b>Case Study (Not Exceeding 300 words)</b>	
<b>Practical Component:</b>		
<ul style="list-style-type: none"> <li>Conduct group project: The Group project is an analysis of a country, multinational firm or theory discussed in class. The topic is left for the group to decide and must be done in groups of 3-4.</li> </ul>		

- International Business Plan: Students should be asked to prepare an International business plan and present it at the end of the semester. This should include the following:
  - Executive Summary
  - Overview of Business and industry analysis
  - Description of recommended strategy and justification
  - Broad functional objectives and Key Result Areas.
  - Spreadsheet with 5-year P&L, Balance Sheet, Cash Flow projections, with detailed worksheets for the revenue and expenses forecasts.
  - Analyzing Mission and Vision statements of a few companies and comparing them
  - Applying Michael Porter's model to an industry (Retail, Telecom, Infrastructure, FMCG, Insurance, Banking etc.
  - Pick a successful growing company. Do a web-search of all news relate to that company over a one-year period.
  - Analyze the news items to understand and write down the company's strategy and execution efficiency.
  - Pick a company that has performed very badly compared to its competitors. Collect information on why the company failed. What were the issues in strategy and execution that were responsible for the company's failure in the market? Analyze the internal and external factors.
  - Map out GE 9-cell matrix and BCG matrix for some companies and compare them.
  - Conduct SWOT analysis of your institution and validate it by discussing with faculty.
  - Conduct SWOT analysis of companies around your campus by talking to them.

#### **Suggested Readings:**

1. Francis Cherunilam 2010, International Business 5<sup>th</sup> edition, NewDelhi, PHI Learningprivate Ltd.
2. John D.Daniels& Lee H. Radebaugh., International Business 15<sup>th</sup> edition, Pearson Education.
3. P. SubbaRao 2010, International Business 4th Edition, Himalaya Publishing House
4. P.Subba Rao 2017 , International Business Text and Cases, 2<sup>nd</sup> Revised & Enlarged Edition , Himalaya Publishing House
5. [SakOnkvisit](#)1997, International Marketing: Analysis and Strategy, Prentice Hall,
6. VyuptakeshSharam,2010, International Business 3<sup>rd</sup> edition, Pearson Education.
7. Bhattacharya, International Business, Excel Books.
8. K.Awathappa 2012, International Business Environment, 5<sup>th</sup> edition Tata McGraw Hill.
9. Francis Cherunilam 2019, Intenrational Business Environment ,8<sup>th</sup> revised edition Himalaya Publishing House.
10. RogerBennet,1999, International Business, 2<sup>nd</sup> edition. Financial Times Press, Pitman Publishing, London.
11. Bhattacharya, B. 1996, Going International: Response Strategies of the Indian Sector, 1st edition Wheeler Publishing, New Delhi.
12. Global Business Management, 2000, Manab Adhikary, Limited edition, MACMILLAN Business Books



**PARVATHANENI BRAHMAYYA  
SIDDHARTHA COLLEGE OF ARTS & SCIENCE**  
*Autonomous*  
Siddhartha Nagar, Vijayawada-520010  
*Re-accredited at 'A+' by the NAAC*

**MODEL QUESTION PAPER  
M.B.A. (REGULAR) DEGREE EXAMINATION  
FOURTH SEMESTER  
22 BA 4E1: International Business**

**Duration: 3hours**

**Max. Marks: 70**

Note:

1. This question paper contains three parts- Part-A, Part-B and Part-C.
2. Part-A contains 5 short answer questions with an internal choice. Answer any **ALL** questions. Each question carries 4 Marks.
3. Part-B contains 5 Essay questions with an internal choice from each unit. Each question carries 8 Marks.
4. Part-C contains one Case Study for 10 Marks. (Compulsory)
5. All parts of the Question paper must be answered in one place.

**Part-A**

**5 x 4= 20 Marks**

		<b>Bloom's Level</b>	<b>CO</b>	<b>Max Marks</b>
<b>1</b>	a) Describe International Business Environment	L2	CO 1	4M
	(OR)			
	b) Outline Forces behind globalization	L2	CO 1	4M
<b>2</b>	a) Explain Absolute cost advantage theory	L2	CO 2	4M
	(OR)			
	b) Discuss about TRIPs	L2	CO 2	4M
	a) Explain the process of Letter of Credit	L2	CO 3	4M

3	(OR)				
	b)	Explain objectives of WTO	L2	CO 3	4M
4	a)	Explain Indian reforms process in Globalisation	L2	CO 4	4M
	(OR)				
	b)	Explain modes of market entry strategies.	L2	CO 4	4M
5	a)	What are SABS standards and its objectives in global business?		CO 5	4M
	(OR)				
	b)	Explain relevance of ethical codes in International Business.	L2	CO 5	4M

**Part-B**

**5 X 8=40 Marks**

			<b>Bloom's level</b>	<b>CO</b>	<b>Max. Marks</b>
<b>UNIT-I</b>					
6	(a)	Distinguish the globalization and de-globalization trends in the present business environment.	L3	CO1	8 M
	(OR)				
	(b)	Explain different theories proposed by Adam Smith and David Ricardo in international trade.	L3	CO1	8 M
<b>UNIT-II</b>					
7	(a)	Discuss the barriers that influence international trade.	L2	CO2	8 M
	(OR)				
	(b)	Discuss the functioning of WTO and its influence on global trade.	L2	CO2	8 M
<b>UNIT-III</b>					
8	(a)	Explain the practices followed by countries in managing their BOP problems.	L2	CO3	8 M
	(OR)				
	(b)	Discuss various options available for raising the short term and long-term resources for organizations doing international business.	L2	CO3	8 M
<b>UNIT-IV</b>					
9	(a)	Outline issues and challenges in global supply chain management.	L3	CO4	8 M

	(b)	Enlist the competitive advantages of Indian industry over neighbouring nations.	L3	CO4	8 M
<b>UNIT-V</b>					
<b>10</b>	(a)	'Multinational enterprises are poor in discharging social responsibility'. Comment on the above statement.	L5	CO5	8 M
	(OR)				
	(b)	List the issues in implementing global marketing strategies by firms in developing countries.	L5	CO5	8 M

**PART-C**

**1X10=10 Marks**

			<b>Blooms level</b>	<b>CO</b>	<b>Max Marks</b>
<b>CASE STUDY</b>					
<b>11</b>		<p>Please read the following case study carefully and answer the questions given at the end:</p> <p>Electrolux is Sweden's largest manufacturer of electrical household appliances and was one of the world's pioneers in the marketing of vacuum cleaners. However, not all the products the Electrolux name are controlled by the Swedish firm. Electrolux vacuum cleaner sold and manufacturer in the United States, for example, have not been connected with the Swedish Firm since the U.S subsidiaries were sold in the 1960s. The Swedish Firm re-entered the U.S. market in 1974 by purchasing National Union Electric, which manufacturers Eureka vacuum cleaners.</p> <p>Electrolux pursued its early international expansion largely to gain economies of scale through additional sales. The Swedish market was simply too small to absorb fixed costs as much as the home markets for competitive firms from larger countries. When additional sales were not possible by exporting, Electrolux was still able to gain certain scale economies through the establishment of foreign production. Research and development expenditures and certain administrative costs could thus be spread out over the additional sales made possible by foreign operations. Additionally, Electrolux concentrated on</p>	L4	CO4	10 M

	<p>standardized production to achieve further scale economies and rationalization of parts.</p> <p>Until the late 1960s, Electrolux concentrated primarily on vacuum cleaners and the building of its own facilities in order to effect expansion. Throughout the 1970s, though, the firm expanded largely by acquiring existing firms whose product lines differed from those of Electrolux. The compelling force was to add appliances lines to complement those developed internally. Its recent profits (\$220 million in 1983) have enabled Electrolux to go an acquisitions binge. Electrolux acquired two Swedish firms that made home appliances and washing machines. Electrolux management felt that it could use its existing foreign sales networks to increase the sales of those firms in 1973, Electrolux acquired another Swedish firm, Facet, which already had extensive foreign sales and facilities. Vacuum cleaner producers were acquired in the United States and in France; and to gain captive sales for vacuum cleaner. Electrolux acquired commercial cleaning service firms in Sweden and in the United States. A French Kitchen equipment producer, Arthur Martin, was bought, as was a Swiss home appliance firm. Thermal, and a U.S. cooking equipment manufacturer, Tappan.</p> <p>Except the Facet purchase, the above acquisitions all involved firms that produced complementary lines that would enable the new parent to gain certain scale economies, However, not all the products of acquired firms were related, and Electrolux sought to sell off unrelated businesses. In 1978 for example, a Swedish firm, Husqvarna, was bought because of its kitchen equipment lines. Electrolux was able to sell Husqvarna's motorcycle line but could not get a good price for the chain saw facility. Reconciled to being in the chain saw business. Electrolux then acquired chain saw manufacturers in Canada and Norway, thus becoming one of the world's largest chain saw producers. The above are merely the most significant.</p>		
--	--	--	--

	<p>Electrolux acquisitions: the firm made approximately fifty acquisitions in the 1970s.</p> <p>In 1980, Electrolux announced a takeover that was very different from those of the 1970s. It offered \$175 million, the biggest Electrolux acquisition, for Granges Sweden's leading metal producer and fabrication Granges was itself a multinational firm (1979 sales of \$ 1.2 billion) and made about 50 percent of its sales outside of Sweden. The managing Directors of the two firms indicated that the major advantage of the takeover would be the integration of Granges aluminium, copper plastic, and other materials into Electrolux production of appliances. Many analysts felt that the timing of Electrolux's bid was based on indications that Baijerinvest, a large Swedish conglomerate, wished to acquire a non--ferrousmatels mining company. Other analysis felt that Electrolux would be better off to continue international horizontal expansion as it had in the 1970s. The analysts pointed to large appliance makers such as AEG Telefunken of West Germany that were likely candidates for takeover because of recent poor performance.</p>			
	<p><b>Questions:</b></p>			
	<ol style="list-style-type: none"> <li>1. What are Electrolux's reasons for direct investment?</li> <li>2. How has Electrolux's strategy changed over time? How has this affected its direct investment activities?</li> <li>3. Which of Electrolux's foreign investments would be horizontal and which would be vertical? What are the advantages of each?</li> <li>4. What do you see as the main advantages and possible problems of expanding internationally primarily through acquisitions as opposed to building one's own facilities?</li> <li>5. Should Electrolux take over Granges?</li> </ol>			