

International Marketing
2008 April
Commerce Business
Management MCom Part 2
University of Mumbai

shaalaa.com

(REVISED COURSE)

(3 Hours)

22nd April 08

[Total Marks : 100]

- (1) Question No. 1 is compulsory.
 (1) Attempt any four questions from the remaining.
 (2) Figures to the right indicate full marks.

Explain in brief any four of the following :—

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| (a) IBRD | (d) Contract Manufacturing |
| (b) Packing Credit | (e) Shipping Bill |
| (c) Role of packaging in export promotion | (f) TRIPs |

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| (a) Explain the main driving and restraining forces for a firm entering international market. | 10 |
| (b) Explain in detail the recent problems faced by Indian exporters. | 10 |
| (a) Explain the theories of Absolute cost advantage and Comparative cost advantage. | 10 |
| (b) What are the methods of payment used in international trade ? | 10 |
| (a) What are trade barriers ? How do they affect international trade ? | 10 |
| (b) How has WTO agreement resulted in trade liberalisation ? | 10 |
| (a) What are the different product and pricing decisions followed as part of international marketing strategy ? | 10 |
| (b) Explain the role of advertising and e-marketing as part of promotion strategies. | 10 |
| (a) What are the benefits and export obligations of units in SEZs in India ? | 10 |
| (b) Explain the steps involved in Import Procedure. | 10 |

7. Case study Analysis : Pace Designers

Pace Designers is in manufacturing machine tools business. The company is located in Bagalore since 1989. It is a small company and its turnover is over Rs. 150 crores. It employs 300 people. It was started as a freelance design house. It moved into manufacturing activity as its designs were commercially accepted by the industry. It started manufacturing engine valves, pistons and other components. At present it offers eight models of CNC lathes.

Pace Designers has adopted a specialised route to perform some of the manufacturing operations, which come from four satellite companies including a wholly owned subsidiary unit in the U.S. in 1997. These satellite companies provide opportunities for individual employee growth. They also act as independent profit centres.

Pace Designers was exposed to international markets when it became a supplier to a German company in 1995. Instead of facing the giant companies in India, they opted for a specialised route. Against the average industry growth rate of 20% in 1998, Pace Designers achieved 100% growth rate. They spend about 3% of the total sales on R&D activities.

As the auto and the auto component industries grew internationally, Pace Designers used the criterion of language, acceptability, culture and availability of niche segments to identify the market. They have also taken into account constraints of tariff/non-tariff barriers. They opted for the direct export mode through its fully owned subsidiary. They did not appoint a foreign distributor or agent to save on operational margins as well as secrecy. The company invested Rs.20 crores to build up engineering activities. The centre point of all operations has been its in-house research and highly skilled personnel. By 2010, they plan to have a total turnover of Rs. 500 crores with support from fully owned subsidiary in the overseas market.

Questions :

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| 1. When the opportunities in the Indian market have not been fully exploited, is the company justified in its outlook for international markets ? | 5 |
| 2. Is the entry mode choice of the company in International market justified? | 5 |
| 3. How feasible is the company's mission of Rs. 500 crores turnover? | 5 |
| 4. What are the immediate challenges Pace Designers would face in order to expand their market operations? | 5 |

N.B. (1) Attempt any five questions.

(2) Figures to the right indicate full marks.

1. (a) What is meant by international marketing ? State the problems and difficulties faced by Indian marketers in international trade. 10
(b) How do social and political factors affect international marketing environment ? 10
2. (a) State the factors responsible for globalisation of business. 10
(b) Explain any four marketing strategies used by firms to enter international markets. 10
3. (a) Explain the export procedure at pre-shipment and post-shipment stages. 10
(b) State the importance of branding and packaging of goods in international marketing. 10
4. (a) What are the different export promotion measures followed by the Government to promote exports ? 10
(b) Explain the features of pre-shipment finance. 10
5. (a) State and explain the various export pricing quotations. 10
(b) Discuss the various methods of payment used in international marketing. 10
6. Distinguish between :— 20
(a) Domestic marketing and International marketing
(b) Shipping Bill and Bill of Lading
(c) Tariff Barriers and Non-tariff Barriers.
7. (a) Explain the need and importance of marketing mix. 10
(b) Explain India's trade relations with NAFTA and EU. 10
8. (a) Explain the role of joint ventures and multinationals in India's export trade. 10
(b) What is exchange rate ? How fluctuations in exchange rate are affecting exporters ? 10
9. Write short notes on :— 20
(a) PLC in international marketing
(b) Counter trade
(c) SEZs
(d) ECGC cover.

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