

[4]

What, in your opinion, would be answers to these questions?

- (a) Was entering the Indian market with a standardized product a mistake? Justify. 3
- (b) Was it a problem of the product, or the way it was positioned? 3
- (c) Given the advantages to be gained through leveraging of brand equity and product knowledge on a global basis, and the disadvantages of differing local tastes, what would be your strategy for entering new markets? 4

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Total No. of Questions: 7

Total No. of Printed Pages:4

Enrollment No.....



Faculty of Management Studies

End Sem (Even) Examination May-2019

MS5EM08 International Marketing

Programme: MBA

Branch/Specialisation: Management /  
Marketing

Duration: 3 Hrs.

Maximum Marks: 60

Note: All questions are compulsory. Internal choices, if any, are indicated. Answers of Q.1 (MCQs) should be written in full instead of only a, b, c or d.

- Q.1 i. A country should export a product that it can produce at a lower cost than other this is the principle of: 1
- (a) Absolute advantage (b) Comparative advantage
- (c) Relative advantage (d) Factor endowment
- ii. According to the principle of relative advantage, a country should export a product for which it has the least: 1
- (a) Absolute advantage (b) Absolute disadvantage
- (c) Comparative advantage (d) Comparative disadvantage
- iii. A symbol or name used to identify a product made or marketed by a particular firm is 1
- (a) Patent (b) Trademark (c) Copyright (d) Registration
- iv. In this type of society, messages are explicit and clear, with words conveying the main part of information in communication. 1
- (a) High context (b) Medium context
- (c) Low context (d) All of these
- v. This market entry strategy offers the largest potential profits and control 1
- (a) Exporting (b) Joint venture
- (c) Licensing (d) Manufacturing
- vi. A partnership at corporate level is 1
- (a) Licensing (b) Joint venture
- (c) Management contract (d) Turnkey operation

P.T.O.

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- vii. The most important factor which makes product modification mandatory is **1**  
 (a) Country's regulations (b) Electrical current standards  
 (c) Measurement standards (d) Product standards
- viii. This cost-based pricing method, considered to be ethnocentric, uses **1**  
 (a) All costs (b) Marginal costs  
 (c) Transportation costs (d) R & D costs
- ix. A product with a low-price image requires \_\_\_\_\_ distribution. **1**  
 (a) Intensive (b) Selective (c) Exclusive (d) None of these
- x. A global ad should be **1**  
 (a) More visual than verbal (b) More verbal than visual  
 (c) Equally verbal and visual (d) None of these
- Q.2 Attempt any two:
- i. Explain EPRG frame work with respect to international and global markets. **4**
- ii. What are various reasons for a company to enter foreign markets. **4**
- iii. Describe the factor endowment theory in detail. **4**
- Q.3 i. Explain how companies entering in foreign markets can reduce Political Risks. **3**
- ii. What is legal environment? Describe different types of legal systems. **5**
- OR iii. Explain the scope of research in international marketing. **5**
- Q.4 i. Discuss role of IMF in international trade. **3**
- ii. Enumerate documents required for exports. **5**
- OR iii. What do you mean by consular invoice and letter of credit? Give any six types of names of letter of credit (L/C). **5**
- Q.5 Attempt any two:
- i. What are various methods of Pricing? Discuss with examples. **4**
- ii. What do you mean by transfer pricing? How MNC's can use transfer pricing for their benefits? **4**
- iii. Briefly explain product adaptation strategies. **4**

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- Q.6 Attempt any two:
- i. What factors are affecting international channel decisions? **4**
- ii. Do you think it is advantageous to have agents in foreign markets? Justify your response. **4**
- iii. Write a note on Global Advertising Regulations. **4**
- Q.7 Case Study: Study the case given below and answer the questions given at the end. **10**
- A major cereal manufacturer produces, and markets standardized breakfast cereals to countries around the world. Minor modifications in attributes such as sweetness of the product are made to cater to local needs. However, the core products and brands are standardized. The company entered the Chinese market a few years back and was extremely satisfied with the results. The company's sales continue to grow at a rate of around 50 percent a year in China and other Asian countries, and based on the market reforms taking place, the company started operations in India by manufacturing and marketing its products. Initial response to the product was extremely encouraging, and within one year the company was thinking in terms of rapidly expanding its production capacity. However, after a year, sales tapered off and started to fall. Detailed consumer research seemed to suggest that while the upper-middle social class, especially families where both spouses were working to whom this product was targeted adopted the cereals as an alternative meal (i.e., breakfast) for a short time, they eventually returned to the traditional Indian breakfast. The CEOs of some other firms in the food industry in India are quoted as saying that non-Indian snack products and restaurant business are the areas where MNCs can hope for success. Trying to replace a full meal with a non-Indian product has less of a chance of succeeding. You are a senior executive in the international divisions of this food MNC having post-graduate qualification in management from IGNOU and several years of experience of operating in various countries in a product management function. You have been appointed head of the fact finding mission to determine answers to these specific questions.

P.T.O.

**Marking Scheme**  
**MS5EM08 International Marketing**

Q.1	i.	A country should export a product that it can produce at a lower cost than other this is the principle of:	1
		(a) Absolute advantage	
	ii.	According to the principle of relative advantage, a country should export a product for which it has the least:	1
		(c) Comparative advantage	
	iii.	A symbol or name used to identify a product made or marketed by a particular firm is	1
		(b) Trademark	
	iv.	In this type of society, messages are explicit and clear, with words conveying the main part of information in communication.	1
		(c) Low context	
	v.	This market entry strategy offers the largest potential profits and control	1
		(d) Manufacturing	
	vi.	A partnership at corporate level is	1
		(b) Joint venture	
	vii.	The most important factor which makes product modification mandatory is	1
		(a) Country's regulations	
	viii.	This cost-based pricing method, considered to be ethnocentric, uses	1
		(a) All costs	
	ix.	A product with a low-price image requires _____ distribution.	1
		(a) Intensive	
	x.	A global ad should be	1
		(a) More visual than verbal	
Q.2		Attempt any two:	
	i.	EPRG frame work	4
		1 mark for each point (1 mark * 4)	
	ii.	Reasons for a company to enter foreign markets.	4
		1 mark for each reason (1 mark * 4)	
	iii.	Describe the factor endowment theory in detail.	4
		As per the explanation	
Q.3	i.	Companies entering in foreign markets can reduce Political Risks.	3
		Any three ways 1 mark for each point (1 mark * 3)	
	ii.	Legal environment	5
		Types of legal systems	
		1 mark for each type (1 mark * 3)	3 marks

OR	iii.	Scope of research in international marketing.	5
		1 mark for each scope (1 mark * 5)	
Q.4	i.	Role of IMF in international trade	3
		1 mark for each role (1 mark * 3)	
	ii.	Enumerate documents required for exports.	5
		1 mark for each point (1 mark * 5)	
OR	iii.	Consular invoice and letter of credit	5
		Any six types of names of letter of credit (L/C).	
		0.5 mark for each type (0.5 mark * 6)	3 marks
Q.5		Attempt any two:	
	i.	Methods of Pricing	4
		Any three methods 1 mark for each (1 mark * 3)	3 marks
		Examples.	1 mark
	ii.	Transfer pricing	4
		MNC's can use transfer pricing for their benefits	2 marks
	iii.	Product adaptation strategies.	4
		1 mark for each strategy (1 mark * 4)	
Q.6		Attempt any two:	
	i.	Factors are affecting international channel decisions	4
		1 mark for each point (1 mark * 4)	
	ii.	Do you think it is advantageous to have agents in foreign markets?	4
		Justify your response.	
		As per explanation	
	iii.	Global Advertising Regulations.	4
		As per explanation	
Q.7		What, in your opinion, would be answers to these questions?	
	(a)	Was entering the Indian market with a standardized product a mistake? Justify.	3
	(b)	Was it a problem of the product, or the way it was positioned?	3
	(c)	Given the advantages to be gained through leveraging of brand equity and product knowledge on a global basis, and the disadvantages of differing local tastes, what would be your strategy for entering new markets?	4

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