



**I Semester M.Com. Degree Examination, March/April 2025  
(CBCS Scheme) (2020-21 and Onwards)  
COMMERCE**

**Paper – 1. 2 : International Business Environment**

Time : 3 Hours

Max. Marks : 70

**SECTION – A**

**Answer any seven out of ten. Each question carries two marks. (7x2=14)**

1. a) Define international business.
- b) What is globalization in the context of business ?
- c) Name two advantages of international trade.
- d) What is Foreign Direct Investment (FDI) ?
- e) Mention two risks associated with international business.
- f) What is a tariff ?
- g) Name any two international financial institutions that support global trade.
- h) What is the role of the WTO in international business ?
- i) What is the difference between imports and exports ?
- j) What is the impact of exchange rate fluctuations on international business ?

**SECTION – B**

**Answer any four questions out of six. Each question carries five marks. (4x5=20)**

2. Explain the technological environment issues in international business.
3. Write a note on :
  - a) GATS
  - b) SAPTA
4. Considering the New Policy in ADR issues, what changes should be adopted by Indian companies going Global.
5. Explain the factors affecting Global HRM and Staff Policy.
6. What are the Social and Ethical responsibilities to be followed by Multinational Corporations ?
7. How has the adverse decline in the value of the Indian Rupee impacted global business ? Explain.



## SECTION – C

Answer any two questions out of four. Each question carries twelve marks. (2x12=24)

8. Analyse the benefits and drawbacks of international business for both companies and nations.
9. Examine the effects of globalization on international trade and the growth of business expansion across borders.
10. Demonstrate the different types of trade barriers and analyse their impact on international business operations.
11. Illustrate the functions and importance of the World Trade Organization (WTO) in facilitating and regulating global trade.

## SECTION – D

12. Answer the following question : (1x12=12)

A Multinational Corporation (MNC) based in the United States decides to expand its operations into an emerging market in Southeast Asia. The company sees great potential due to the region's growing middle class, increasing demand for consumer goods and favourable government policies promoting foreign investment.

However, soon after entering the market, the company faces several challenges. The legal and regulatory framework is different from what it is used to, leading to unexpected compliance issues. Additionally, cultural differences affect business negotiations and marketing strategies. Local competitors, who have a better understanding of consumer preferences, offer similar products at lower prices, making it difficult for the MNC to establish a strong market presence.

Despite these challenges, the company is determined to adapt by forming partnerships with local businesses, customizing its products to fit local tastes and investing in workforce training.

**Questions :**

- 1) What are the key challenges faced by multinational corporations when entering an emerging market ?
- 2) How can companies successfully adapt to cultural and regulatory differences in international business ?