

MBIB 3001 R

M.B.A. DEGREE EXAMINATION, MAY 2026

Third Semester

International Business

INTERNATIONAL BUSINESS ENVIRONMENT

(2023 Regulation)

Time : Three hours

Maximum : 75 marks

PART A — (5 × 4 = 20 marks)

Answer any FIVE questions.

1. Why is a nuanced understanding of socio-cultural factors often more critical for long-term international success than simply translating marketing materials?
2. Beyond profit, what compelling reasons drive firms to venture into international markets?
3. Differentiate between various types of technology transfer employed by MNCs and discuss the implications of each for the host country.

4. How can legal developments in one country create ripple effects for international businesses operating elsewhere?
5. How do deep-seated cultural values and norms influence consumer behavior and marketing strategies in international markets?
6. What key elements of the socio-cultural environment would a company entering international market have likely considered in their adaptation strategy?
7. "Global Threads," a multinational apparel company headquartered in a developed nation, sources a significant portion of its cotton from a developing country where labor laws are less stringent. Reports emerge of potential child labor and unsafe working conditions in some of their supplier factories. This news creates a public relations crisis and pressure from consumer groups in Global Threads' home country.

Question: How should Global Threads respond to this ethical sourcing dilemma, considering both their business interests and their social responsibilities? What are some concrete steps they could take?

8. "TechLeap," a technology firm specializing in AI solutions, has invested heavily in a country known for its stable political environment. Suddenly, a snap election leads to a new government with nationalist policies that favor local tech companies and impose restrictions on foreign data transfer.

Question: What strategic options are available to TechLeap to mitigate the risks posed by this sudden shift in the political and legal environment?

PART B — (5 × 8 = 40 marks)

Answer any FIVE questions.

9. Develop a framework for evaluating the long-term success and impact of a multinational corporation's foreign direct investment projects on the host country's economy and society.
10. Evaluate the significance of technological innovation as a driver of competitive advantage in international markets.
11. Discuss the potential synergies and challenges associated with integrating two organizations with different national cultures and operational practices.

12. Examine the different types of barriers to foreign investment and their potential impact on both the investing company and the host country's economy.
13. List five key international economic institutions and briefly state their primary objectives.
14. A company is considering expanding its operations into a country with a significantly different legal system. Identify three key legal risks they should assess and outline practical steps they can take to mitigate these risks.
15. Outline the primary characteristics that distinguish a multinational corporation (MNC) from a purely domestic company engaged in exporting.
16. A European fashion retailer is planning to enter the Indian market. Based on your understanding of socio-cultural factors, suggest two specific adaptations they might need to make to their products or marketing campaigns.

PART C — (1 × 15 = 15 marks)

Answer the following.

17. Case Study (Compulsory)

“TextiCraft India,” a medium-sized textile manufacturer based in Tamil Nadu, has built a thriving export business to both the European Union and the United States. Their supply chain relies heavily on cotton sourced from West Africa. Recent political instability in a key West African nation has significantly disrupted cotton supply, leading to soaring raw material costs and shipment delays. Simultaneously, new environmental regulations in the EU are demanding stricter traceability and sustainability standards for textile imports, requiring significant investment in new technologies and certifications. Furthermore, the US market is witnessing increased competition from Southeast Asian manufacturers benefiting from recent trade agreements.

Questions:

- (a) Analyze the interconnected geopolitical, economic, and regulatory challenges facing TextiCraft India. How do these external forces collectively impact their business model and competitive advantage? (5)

- (b) Evaluate three potential strategic responses TextiCraft India could adopt to navigate these challenges. Consider options such as diversifying their sourcing, focusing on higher-value sustainable products, or exploring new markets. What are the potential risks and rewards of each option?

(5)

- (c) Develop a concise action plan outlining the immediate steps TextiCraft India should take to address the cotton supply disruption and prepare for the new EU regulations.

(5)