

LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034



B.Com. DEGREE EXAMINATION – HONOURS

SIXTH SEMESTER – APRIL 2022

UBH 6602 – INTERNATIONAL BUSINESS

Date: 17-06-2022

Dept. No.

Max. : 100 Marks

Time: 09:00 AM - 12:00 NOON

PART A

Answer all questions

(10x2=20

Marks)

1. What are the main modes of entry for a company seeking to enter an International market.- A large number of Mcdonalds restaurants are there in India , but none of them are owned by Mcdonalds . Identify this mode of entry. What are the characteristics, pros and cons of such mode.. When they offer Aloo tikka burger , what is the principle/ concept of International Business adopted by them
2. What are the features of a Developed Economy?
The TESLA Company plans to set up a car manufacturing plant in India. What is the mode of International entry planned by this company? What kind of Investment is it for the host country? What are the advantages and benefits to the host country in such investments?
3. Tata Motors and JLR (Jaguar Land Rover) are designing and producing electric cars to meet the changing needs of their existing market. Current market consumers in the automobile market are becoming more environmentally conscious. What Marketing Philosophy is being applied and explain this concept? What aspect of Portfolio planning tool for growing their International Business does such action signify and explain this concept.
4. Explain Share of customer and what strategies are adopted for improving Share of customer with examples
5. Explain Customer equity with suitable examples.
6. Write short note on bilateral trade laws. With examples
7. Explain the spot and forward rate with examples
8. List out the agencies under World bank group
9. Write short note on absolute advantage theory
10. List out the objectives of GATT

Part B

Answer any four questions

(4x10=40 Marks)

11. Explain Globalisation. What are the benefits of Globalisation? What are the few negative effects / criticism of globalisation
12. Explain the various external factors which must be considered by MNC's in their pursuit of International business expansion.
13. What is Marketing ? Explain Customer driven Marketing strategy and how it is deployed by a MNC to grow and market their products effectively. Give examples .
14. What are the objectives , functions and roles of Central banks.
15. Explain IMF. Write short notes on objectives and functions of IMF
16. Write short note on balance of trade and balance of payments. Briefly explain the causes for disequilibrium in the balance of payments with examples
17. Briefly explain the role of WTO as a regulator and promoter of world trade

PART-C

Answer the following questions (Q.no 20 is compulsory)

2*20=40

18. What are the different functions of foreign exchange market? Explain foreign exchange risk and foreign exchange exposure in detail with examples

OR

19. A. What is Anti-Dumping? Explain the types of Dumping and its effects on importing country and exporting country. (10m)
- B. Explain the SEZ and benefits of SEZ (5m)
- C write short note on Letter of credit (5m)

20. Carefully read the case study and answer any 5 questions from the following. (5x4=20)

1. What dimensions of International Business is evident in CISCO's business transformation and growth. Support your answers with due justification.
2. Suggest an effective Mission statement for CISCO. What are the characteristics of a good Mission statement.
3. Define strategic planning and explain CISCO's strategic planning initiatives of their International business evolution and growth.
4. What are the SBU's of CISCO as given in the case. Comment of the portfolio analysis of CISCO.
5. Name and explain the growth strategies adopted by CISCO (Based on the product market expansion grid concept) .
6. Has CISCO adopted " Societal Marketing concept " – support and justify your response.

7. Explain how CISCO engaged in “ Customer relationship management “ and “ Partnership relationship management “. Explain these concepts.



Company Case

Cisco Systems: Solving Business Problems Through Collaboration

Perhaps you've heard of Cisco. It's the company known for those catchy "Human Network" ads. It produces the familiar Linksys wireless Internet routers and owns Pure Digital Technologies, the company that makes the trendy Flip video cameras. But most of what Cisco Systems sells is not for regular consumers like you. Cisco is a tried-and-true business-to-business company. In fact, it earned honors as *BtoB* magazine's 2011 "marketer of the year." Three-quarters of Cisco's sales are in routers, switches, and advanced network technologies—the things that keep the data moving around cyberspace 24/7. But ever since the dot-com bust, Cisco has been pioneering the next generation of networking tools, from cybersecurity to set-top boxes to videoconferencing.

This story is about much more than just a tech giant that makes the equipment companies need to run their Internet and intranet activities. It's about a forward-thinking firm that has transitioned from a hardware company to a leadership consultancy. In the process, there is one concept that seems to be the main driver of Cisco's business with other organizations: customer collaboration. Cisco is all about collaborating with its business customers to help them better collaborate internally with employees as well as externally with suppliers, partners, and their customers.

Collaboration Within and Without

John Chambers became the CEO of Cisco way back in 1995, when annual revenues were a mere \$1.2 billion. He successfully directed the growth of Cisco as a hardware provider. But following the dot-com bust in the early 2000s, he knew the world had become a different place. In response, he engineered a massive, radical, and often bumpy reorganization of the company. Chambers turned Cisco inside out and created a culture of 71,000 employees that truly thrives on collaboration. As such, Cisco is the perfect laboratory where new products are developed, used, and then sold to external clients. Cisco not only manufactures hardware and software that makes all the sharing activity possible, but is also the expert on how to use it. All this collaboration has helped Cisco's business explode, hitting \$43 billion last year.

Perhaps Cisco's advertising campaign, "Human Network Effect," best illustrates the company's philosophy. The campaign highlights the benefits that come to an organization when it utilizes its network of people more effectively. According to Cisco, the pragmatic approach of the campaign helps customers understand how Cisco's technologies can save them money, bring products to market faster, and even have an impact on the environment. This campaign has helped Cisco become the 13th most valuable brand in the world at the same time it has communicated why companies need Cisco's products and services.

Chambers tells the story of how Cisco began its transition from hardware into services. "Our customers literally pulled us kicking and screaming into providing consultancy," says Chambers. Some years ago, the CEO of financial services company USAA asked Chambers to help the company figure out what to do with the Internet. Chambers replied that Cisco wasn't in the Internet consulting business. But when USAA committed to giving all its networking business to Cisco if it would take the job, Chambers proclaimed "We are in that business!" Now, Cisco has both the products and the knowledge to help other companies succeed on the Internet.

A turning point for Chambers in further understanding the impact that Cisco can have on clients was the major earthquake in China in 2008.

Tae Yoo, a 19-year Cisco veteran, supervises the company's social responsibility efforts and sits on the China strategy board and the emerging-countries council. "I had always been a believer in collaboration," she says, but after the earthquake, "I saw it really happen. Our local team immediately mobilized, checking in with employees, customers, NGO partners. The council got people on the phone, on [video conference], to give us a complete assessment of what was happening locally. We connected West China Hospital to a specialized trauma center in Maryland via the network." High-level medical centers from the other side of the world were able to weigh in on diagnostics remotely. Cisco employees were on the ground helping rural areas recover and rebuild homes and schools. Within 14 days, Yoo continues, "I walked over to the China board with a complete plan and \$45 million to fund it." That number ultimately grew to more than \$100 million. "Our business is growing 30 percent year over year there," Chambers

says, adding that Cisco has committed to investing \$16 billion in public-private partnerships in China. "No one has the reach and trust that we do. No one could offer the help that we could."

Collaboration Benefits

Cisco management knows that number one on most CEO's lists is to break down the communication barriers between a company and its customers, suppliers, and partners. According to Jim Grubb, Chambers's longtime product-demo sidekick, "If we can accelerate the productivity of scientists who are working on the next solar technology because we're hooking them together, we're doing a great thing for the world." Doing a great thing for the world, while selling a ton of routers and switches.

But while routers and switches still account for most of Cisco's business, the really interesting things are far more cutting edge. Consider Cisco's involvement in what it calls the Smart+ Connected Communities initiative. Perhaps the best example of a smart and connected community is New Songdo City in South Korea, a city the size of downtown Boston being built from scratch on a man-made island in the Yellow Sea. Cisco was hired as the technology partner for this venture and is teaming up with the construction company, architects, 3M, and United Technologies as partners in the instant-city business.

Cisco's involvement goes way beyond installing routers, switches, and citywide Wi-Fi. The networking giant is wiring every square inch of the city with electronic synapses. Through trunk lines under the streets, filaments will branch out through every wall and fixture like a nervous system. Cisco is intent on having this city run on information, with its control room playing the part of New Songdo's brain stem.

Not content to simply sell the plumbing, Cisco will sell and operate services layered on top of its hardware. Imagine a city where every home and office is wired to Cisco's TelePresence videoconferencing screens. Engineers will listen, learn, and release new Cisco-branded services for modest monthly fees. Cisco intends to bundle urban necessities—water, power, traffic, communications, and entertainment—into a single, Internet-enabled utility. This isn't just Big Brother stuff. This Cisco system will allow New Songdo to reach new heights in environmental sustainability and efficiency. Because of these efficiencies, the cost for such services to residents will be cheaper as well.

Cisco believes that the smart cities business is an emerging industry with a \$30-billion potential. Gale International, the construction company behind New Songdo, believes that China alone could use 500 such cities, each with a capacity for 1 million residents. It already has established the goal to build 20 of them.

Smart cities make one of Cisco's other businesses all the more relevant. Studies show that telecommuting produces enormous benefits for companies, communities, and employees. For example, telecommuters have higher job satisfaction. For that reason, they are more productive, giving back as much as 60 percent of their commuting time to the

company. There is even evidence that people like working from home so much that they would be willing to work for less pay. An overwhelming majority of telecommuters produce work in a more timely manner with better quality. Their ability to communicate with coworkers is at least as good and in many cases better than when they work in the office. With products like Cisco Virtual Office and the expertise that Cisco offers to go with it, Sun Microsystems saved \$68 million. It also reduced carbon emissions by 29,000 metric tons.

Cisco has also recently unveiled a set of Internet-based communication products to enhance organizations' collaborative activities. Cisco says this is all about making business more people-centric than document-centric. Along with a cloud-based mail system, WebEx Mail, Cisco Show and Share "helps organizations create and manage highly secure video communities to share ideas and expertise, optimize global video collaboration, and personalize the connection between customers, employees, and students with user-generated content," according to a PR blurb. Also on its way is what Cisco calls the Enterprise Collaboration Platform, a cross between a corporate directory and Facebook. These products allow the free flow of information to increase exponentially over existing products because they exist behind an organization's firewall with no filters, lawyers, or security issues to get in the way.

A Bright Future

This year, thanks to the still-sluggish economy, Cisco's financial performance is down. But Chambers thinks that's only a blip in the grand scheme of things. He points out that Cisco has emerged from every economic downturn of the past two decades stronger and more flexible. During the most recent downturn, Cisco moved quickly, seizing every opportunity to snatch up businesses and develop new products. During the decade of the 2000s, Cisco acquired 48 venture-backed companies. But last year alone, the company announced an astounding 61 new technologies, all focused on collaboration. With these resources—and \$44 billion in cash that it has stowed away—Cisco is now expanding into 30 different markets, each with the potential to produce \$1 billion a year in revenue. Moving forward, the company has committed to adding 20 percent more new-market businesses annually. And because Cisco enters a new market only when it's confident that it can gain a 40 percent share, the chance of failure is far below normal.

The collaboration market is estimated at \$35 billion, a figure that will grow substantially in years to come. Because Cisco is the leader in this emerging industry, analysts have no problem accepting John Chambers's long-term goal of 12 to 17 percent revenue growth per year. Cisco has demonstrated that it has the product portfolio and the leadership structure necessary to pull it off. One thing is for sure. Cisco is no longer just a plumber, providing the gizmos and gadgets necessary to make the Internet go around. It is a networking leader, a core competency that will certainly make it a force to be reckoned with for years to come.