

V (Printed Pages 8)
 (20516) Roll No.
 MBA IB IV Sem.

2078

MBAIB Examination, May-2016
Management of Multinational
corporation
 (MBAIB - 404)

Time : Three Hours] [Maximum Marks : 100

Note : All questions are compulsory.

Section - A

1. This question contains 20 objective type-questions, choose the correct answer and write its serial order : $1 \times 20 = 20$

(i) Which of the following is / are not the characteristic (s) of Multinational corporations (MNCs)?

- I MNCs are quick to sense and exploit local opportunities.
- II Key decisions in an MNCs rest with

the parent company.

III MNCs attempt to achieve economies of scale.

IV MNCs tend to be monopolistic corporations.

- (a) Only II above
- (b) Only III above
- (c) Only IV above
- (d) Only I & IV above

(ii) The country that attract the Largest FDI inflow is

- (a) India
- (b) China
- (c) USA
- (d) Brazil

(iii) Among these which one is not the type of economic system.

- (a) Capitalism
- (b) Communism
- (c) Developing
- (d) Mixed

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39

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2078\2

- (iv) Authority is more centralised in which organisation?
- (a) Vertical organization
 - (b) Horizontal organization
 - (c) Team organization
 - (d) Virtual organization
- (v) B2B sector specific policy of Indian Government is
- (a) FDI up to 100% subject to condition that they invest 26% in favour of Indian Public within 5 years
 - (b) FDI up to 100%
 - (c) FDI up to 49%
 - (d) None of the above
- (vi) Firms that operate internationally are able to
- (a) Earn a greater return
 - (b) Realize location economies
 - (c) Realize greater experience
 - (d) All of the above

- (vii) Which of the following control systems in MNCs are exercised in an informal and indirect manner and used for regulating the action for subsidiaries?
- (a) Bureaucratic
 - (b) Personal
 - (c) Output
 - (d) Cultural
- (viii) Which of the following strategies is used in the consumer non-durable goods where firms try to sell to a large segment of the market as it saves costs?
- (a) Push strategy
 - (b) Direct Marketing
 - (c) Pull strategy
 - (d) Positioning strategy
- (ix) MNCs are specifically covered under
- (a) WTO
 - (b) FEMA
 - (c) GATT
 - (d) IBRD

- (x) Totalitarianism is opposite to
 - (a) Democracy
 - (b) Bureaucracy
 - (c) Autocracy
 - (d) None of the above

State whether the following statements are true or false:

- (xi) Information shaving is one of the relationship between the headquarters & subsidiaries.
- (xii) Developing countries allows the MNCs to enter their countries due to the infrastructure.
- (xiii) An Internal acquisition is a cross boarder investment in which a foreign investor acquires an established local firm and makes the acquired local firm a subsidiary business with in its global portfolio.
- (xiv) TNC produces markets, invests and operates across the world.
- (xv) FDI is influenced by Technological financial & managerial superiority.

- (xvi) The Government of India issued the regulations on FII on November 14, 1994.
- (xvii) When one company acquires another, the one acquired becomes a subsidiary of the acquiring company.
- (xviii) Matrix organisation structure possess a dual chain of command
- (xix) FDI may take the form of a joint venture or a wholly owned subsidiary.
- (xx) The limit of holdings by Individual FIIs in a company has been raised from 5 to 10% of the company shares.

Section - B 15 × 2 = 30

- 2. What is multinational corporation? How it is different from a global company & international company?

OR

Describe How International business evaluate and control effectiveness of their strategies.

3. What is FDI? What are the different factors that affect FDI?

OR

Write short note on any Three of the following :

- (i) Global organization structure
- (ii) Headquarters subsidiary relationship
- (iii) Regional Trade Blocks
- (iv) Joint Ventures

Section-C $12\frac{1}{2} \times 4 = 50$

4. Write briefly the Locus of decision making in global management.

OR

Explain the strategic Alliance in International business. <https://www.ccsustudy.com>

5. Examine the achievements and failure of the government policy in attracting foreign Investment.

OR

Evaluate the governments steps have taken to have control over the MNCs.

2078\7

P.T.O.

6. What is economic environment? Explain different kinds of economic systems and their influence on international business.

OR

Write short notes on any two of the following :

- (i) Technology & Globalisation
- (ii) Role of MNCs in India
- (iii) Masculinity
- (iv) Political Ideologies

7. Explain the organisational structure of MNCs.

OR

What are the various government policies on FIIs.

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2078\8