

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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- (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 with in 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 system 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 strategy 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.

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- (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.

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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.validcollege.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.

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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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