



Avinashilingam Institute for Home Science and Higher Education for Women

(Deemed to be University under Category 'A' by MHRD, Estd. u/s 3 of UGC Act 1956)

Re-accredited with 'A+' Grade by NAAC. Recognised by UGC Under Section 12B

Coimbatore - 641 043, Tamil Nadu, India

Master's Degree Examination – June 2021 IV Semester

Class : II MBA

Major : Master of Business Administration/MBA-IT

Time: 3 Hours

Max. Marks: 100

17MBAC28M/29M / 17MBMC28M International Marketing

Part A

10x1=10

Choose the Correct Answer

- International marketing is dominated by ____ countries. (K1)
a. poor
b. developing
c. developed
d. rich
- International economic environment is the result of economic factors operating at the ____ level (K1)
a. local
b. national
c. international
d. business
- segmentation has become highly popular. (K1)
a. Geographic
b. Gender
c. Psychographic
d. Regional
- Dumping is a ____ practice for entry in foreign markets. (K1)
a. fair
b. Unfair
c. easy
d. Freely allowed
- ____ is international price discrimination. (K1)
a. Counter trade
b. Buyback
c. Dumping
d. Grey market
- Product ____ gives confidence to customers. (K1)
a. standardization
b. adaptation
c. pruning
d. procurement
- The global logistics process begins with which of the following? (K1)
a. Finished products ready for shipment
b. Processing and assembly
c. Physical distribution
d. Raw materials, components and supplies
- Research from an advertising agency survey indicates that the number one reason for standardising multinational advertising was to ----- (K1)
a. take advantage of demographics
b. take advantage of cultural similarities between the countries
c. capitalise on the fact that the product was standardised
d. create a single brand image in all markets.
- A confirmed irrevocable letter of credit is issued by the _____ bank and confirmed by a bank usually in the _____ country. (K1)
a. Importer's, exporter's
b. Exporter's, importer's
c. Investment, exporter's
d. Government's, exporter's
- INCOTERMS is an acronym for _____, are the internationally accepted standard definitions for the terms of sale by the International Chamber of Commerce. (K1)
a. Industrial Commercial Terms
b. Insurance Commercial Terms
c. Irrevocable Commercial Terms
d. International Commercial Terms

Part B
Answer ALL questions
Each answer should not exceed 400 words or two pages

5x6=30

- 11.a. Explain the principles of global marketing. (K2)
(or)
- 11.b. Discuss the benefits of global economy. (K2)
- 12.a. List out the Key concepts of blue ocean strategy. (K2)
(or)
- 12.b. Write short notes on the factors to consider for international marketing. (K2)
- 13.a. Explain the characteristics of global market product. (K2)
(or)
- 13.b. Outline the factors influencing international pricing decision. (K2)
- 14.a. Explain the factors affecting choice of international channel. (K2)
(or)
- 14.b. Discuss the role of export promotion council. (K2)
- 15.a. Explain the benefits of FDI. (K2)
(or)
- 15.b. Discuss the characteristics of joint venture. (K2)

Part C
Answer ALL questions
Question No.20 Case is Compulsory
Each answer should not exceed 800 words or four pages

5x12=60

- 16.a. Enumerate the global market strategies. (K5)
(or)
- 16.b. Describe the components of international marketing environment. (K5)
- 17.a. Categorize the three approaches to segmentation in international marketing. (K6)
(or)
- 17.b. Elaborate the different types of global entry strategies. (K5)
- 18.a. Describe the globalization of new products with the help of a global new product development model. (K5)
(or)
- 18.b. Enumerate the different types of foreign exchange transaction. (K6)
- 19.a. Describe different types of innovative forms of distribution. (K5)
(or)
- 19.b. Enumerate the five strategies for a successful global brand. (K5)

20. Case Study: (Compulsory question)

McDonald's Franchise in Trouble in India

The case discusses the dispute between US-based global fast food chain McDonald's and one of its Indian joint venture partners, Connaught Plaza Restaurants (CPRL) led by Vikram Bakshi (Bakshi), which affected the fortunes of the fast food chain in the highly competitive Quick Service Restaurant (QSR) market in India. McDonald's, which entered the country in 1996, operated through two master franchisees, one a 50-50 joint venture with Bakshi called CPRL covering the northern and eastern parts of the country, and another with Hard castle Restaurants Pvt. Ltd (HRPL) owned by Amit Jatia, covering the southern and western parts. In 2008, after more than 15 years of smooth operations during which McDonald's acquired a pan-India presence and became synonymous with fast food in the country, the partnership between Bakshi and McDonald's turned sour after McDonald's tried to buy out Bakshi's 50% stake.

McDonald's contended that CPRL was not maintaining the required quality and had failed to pay royalties for two years. In 2013, Bakshi was ousted as the MD of CPRL, but he was reinstated in 2017

after the case was referred to the National Company Law Tribunal (NCLT). The tribunal also barred McDonald's from interfering in CPRL's operations. On August 21, 2017, McDonald's terminated the franchise agreement with CPRL for 169 restaurants operating across northern and eastern India. Bakshi, however, continued to run his outlets as he had earlier. As the impasse continued, competitors started gaining ground in the lucrative Indian QSR market. McDonald's posted a loss of Rs. 3.05 billion in the financial year ended December 2017. Moreover, the mass closure of the restaurants disappointed customers and affected the brand image of McDonald's in the country. Going forward, analysts feared that McDonald's could lose a long-term growth opportunity in India's rapidly growing QSR market if it did not sort out its problems soon.

Questions:

1. Understand the various modes of entry into an international market and their relative pros and cons.
2. Evaluate the franchising business model as an effective strategy for business development in foreign markets.
3. Understand the relationship between a franchisor and franchisee, in light of the conflict between McDonald's and CPRL.
4. Explore ways in which McDonald's could tackle its franchise dispute and revive its brand image in India.
