

# POKHARA UNIVERSITY

Level: Bachelor

Semester: Spring

Year: 2021

Programme: BBA

Full Marks: 100

Course: Introduction to International Business

Pass Marks: 45

Time: 3 hrs.

*Candidates are required to answer in their own words as far as practicable. The figures in the margin indicate full marks.*

## Section "A"

### Very Short Answer Questions

Attempt all the questions. [10×2]

1. Define globalization.
2. Define Licensing.
3. Briefly explain the concept of intellectual property rights.
4. How do you describe global outsourcing?
5. Highlight the reasons for the establishment of WTO.
6. Mention the functional areas of World Bank.
7. Mention any two contemporary issues of international trade.
8. Why business firm interested in outsourcing?
9. What are the features of electronic commerce?
10. What are the features of a socialist economy?

## Section "B"

### Descriptive Answer Questions

Attempt **any six** questions. [6×10]

11. Show the importance of WTO for the promotion of international business. Highlight the major functions and principles of WTO in enhancing international trade.
12. Give the concept of Foreign Direct Investment (FDI) in the world economy. Do you think FDI is opportunities for the developing country's economy. Justify.
13. Give the concept of fixed and floating exchange rate regimes. From the perspective of an international business, what are the most important criteria in a choice between the systems? Which system is the more desirable for an international business? Justify.
14. There are many classical theories which we have studied in International Business. These theories have own assumptions and applications. Considering this due fact, express your views regarding the applicability of comparative cost advantages theory in the context of Nepal with suitable example.
15. Nepal has no longer history of globalization but many steps has taken by government to reach current stage. Entering as WTO member and signing the SAFTA agreement are the most memorable path towards globalization.



Before signing WTO agreement, Nepal has already started to attract Foreign Investment through FITTA 1992 later its amended in 2019. In this context, express your views regarding the contribution of technology for the globalization of market and the production. Specify the answer with suitable examples.

16. What are the probable political risks for starting international business ventures in Nepal?
17. Give the concept of international human resource management. How international organization can prepare for the employees repatriation? Explain.

#### Section "C"

#### Case Analysis

18. *Read the case situation given below and answer the questions that follow:*  
[20]

#### **Competitiveness of Readymade Garment Industry in Nepal**

Nepal's readymade garment export recorded more than 200 millions US \$ in 2001, export decreased significantly over the decade since 2004 and picked up slowly to US \$16 million in 2017. Competitiveness of readymade garment industry is being eroded due to the various reasons like (a) for a long time the government remain unstable; (b) industries are not given adequate supports to enable to sustain competitiveness; (c) labour unionism prevails with frequent strike making hard to deliver just-in-time requirements of international markets; (d) phasing out of US quota system has enabled mass producing countries like China, India, Bangladesh to reduce unit overhead and bulk procurement costs; and (e) industrial security and other regulatory norms are not clear and updated in Nepal to attract foreign direct investment.

The government has to be quite strong to favour national export interest and consider in making rules and regulations favourable to entrepreneurs engaged in exportable products of Nepal. In the poor countries like Nepal, if the labours only tend to be the marionette of politicians, they might simply feed slow-poison to their industries by reducing competitiveness and thereby close employment doors to their next generations leading to importunate poverty in the industry.

- a) What have you understood by competitiveness of Nepali readymade garment industry?
- b) What may be the role of government of Nepal to improve the export of garment in the coming days?
- c) Why export of garment from Nepal decreased after 2004?
- d) What factors are affecting the competitiveness of a product in the world market?