University of Pune

Department of Management Sciences (PUMBA)

403 (A): International Marketing

Max. Marks: 50 Time: 2 ½ Hours

Note: 1) Q.1 is compulsory. Attempt any three of the remaining.

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1. What are the recent trends in world trade and FDI? What impact global linkages have an countries, corporate and consumers? Give Examples. **(Marks 14)**

2. What is the impact of political and legal environment on International Marketing? Which Laws are of particular concern to the Markets? **(Marks 12)**

3. Discuss the merits and demerits of Mergers and Acquisition as a strategy for International Market Entry? Give examples of Mergers & Acquisitions intended for availing different synergies between the acquiring and the targets company. **(Marks 12)**

4. What are the pros & cans of product standardization vs. adaptation? Explain the core product, packaging and servicing levels of product adaptation. Illustrate your answer with suitable examples. **(Marks 12)**

5. Write short Note on any three: **(Marks 12)**
   - a) Problems of Data Collection in International Market Research.
   - b) Countertrade.
   - c) Importance of Verbal and Non-verbal language of country for the marketer.
   - d) International Marketing promotion adaptation.
   - e) Role of UNCITRAL in the International Legal Environment.

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403 (B) – International Finance

Max. Marks : 50 Time : 2 ½ Hours

Section I

Question I for 20 marks is compulsory. Answer any two questions out of the remaining three. Each question carries 5 marks

1. Global Smart Sales Co. is engaged in export and import of consumer durables. As on May 15, 2009, the company has to meet an export obligation in the month of August 2009. The value of the export contract is US $ 250,000. They have also opened a letter of credit to import machinery worth US $ 200,000. As per the terms of the letter of credit, the import bill will be due for payment during 2nd week of August 2009 Accordingly, the company obtained the forward cover for both the transactions when the ongoing forex market rates are: Spot rate Rs./$ 49.00/49.01

Forward premia

Spot – May	11 – 13 Paise
June	34 – 36 Paise
July	61 – 63 Paise
August	84 – 86 Paise
September	105 – 107 Paise

On June 17, 2009, the company approached the bank to extend the forward contract booked for export payment to fixed delivery September 15, 2009. The ongoing rates on June 17, 2009 are as follows:
Spot rate Rs.48.92/ 93

Spot June	16/17 Paise
July	47/48 Paise
August	78/80 Paise
September	110/112 Paise

On July 5, 2009 the company approached the bank for early delivery of the dollar which they had booked on March 15, 2009 to meet the import obligation The ongoing exchange rates on July 5, 2009 are as follows
Spot Rs./$ 48.85/48.8700

July	18/20 Paise
August	36/38 Paise
September	54/56 Paise

You are **required** to calculate

i. Outright forward export and import rates as on May 15, 2009 from June to Sept., 2009.
ii. Forward rates quoted to the company as on May 15, 2009 for their export and import transactions.
iii. Exchange rate quoted to the company on June 17,2009 for fixed delivery contract
iv. Swap gain or loss if any for early delivery of dollar as on July 5, 2009
v. Total cash flows to the company if the company has to pay/receive interest @ 13% p.a. for cash outlay/cash inflow, for the import transaction.

2. You are given the following information by your banker:

Exchange rates:
Rs./Euro Spot : 51.55 / 56
1 month forward : 51.50 / 51
3 months forward : 52.05 / 06
Interest rates: