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SVKM'S
Narsee Monjee Institute of Management Studies (NMIMS)
School of Distance Learning
Year 2009-2010
Semester end examination

International Marketing
PGDMM - SEM III

DATE:- 4.01.2010
TIME:- 3 p.m. to 6 p.m.

Marks: 100
Time: 3 hours

Instructions: Candidates should read carefully the instructions printed on the question paper and on the cover of the Answer book, which is provided for their use

Q1: Attempt any 2 out of 4: Marks: 10

(I): State in brief the basic modes of entry strategies for international marketing?

(II): Explain the country market factors in International Market selection?

(III): State in brief the development and scope of International law?

(IV): Explain HIPC (Heavily indebted poor countries) initiative 1996?

Q2: Write short notes on any 3 out of 5: Marks: 15

(I): Explain the role of Indian Institute of foreign trade (IIFT) ?

(II): WTO (World Trade Organization)

(III): International Finance Corporation (IFC)?

(IV): What is the role of Branding in International Marketing?

(V): Balance of payments (BOP)

Q3: Attempt any 3 out of 5: Marks: 45

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(I): Define Culture? How would you undertake a cultural analysis of a foreign market?

(II): What do you understand by the term political risk? In your opinion is it country specific or firm specific or both? Elaborate with examples?

(III): Explain in detail the composition and future of India's foreign trade?

(IV): Explain with examples the EPRG framework and its implications on the strategy formulation process, keeping the Indian context in mind?

(V): Identify any one Indian organization that has successfully implemented its strategy to go international/ global? Support your answer with suitable reasoning's?

Q4: Case Study Marks: 30

Study the case given below and answer the questions given at the end.

Indian Oil Corporation's Internationalization Strategy

Indian Oil Corporation (IOC) is one of the largest commercial undertakings in India and in Fortune's "Global 500 Listing". As a part of the internationalization strategy of IOC, it has entered into the foreign market using the following entry methods:

1. Exporting:

IOC has already been exporting its products such as Servo Lubricant and other petroleum products to a number of overseas markets including Bangladesh and Sri Lanka.

2. Turnkey Projects:

For constructing port oil terminal on turnkey basis at Mer Rouge, since October 2002, IOC has got a wholly owned subsidiary - M/s Indian Oil Tanking Ltd., Mauritius.

3. Strategic Alliance :

For providing aviation fuel and refueling facility at SSR international airport in Mauritius, Indian Oil Mauritius Ltd. (IOML) has formed a strategic alliance with existing players such as Shell, Caltex and ESSO.

4. Joint Venture:

IOC is also negotiating with Caltex to put up a joint venture for installing a bottling plant and marketing LPG under a common brand name "Mauri Gas" in Mauritius.

5. Wholly Owned Subsidiaries:

IOC has formed a wholly owned subsidiary in Mauritius - Indian Oil Mauritius Ltd. (IOML) with a huge projected investment. The company is setting up a state -of-the-art bulk storage terminal at Mer Rouge to stock 24 thousand Metric tonnes of vital petroleum products, auxiliary and bunkering facility and 25 modern petrol (and Gas) stations. IOML is also in the process of building infrastructure for storage, bottling and distribution of Indane, LPG and market servo lubricants In Mauritius.

Besides, IOC has also formed a wholly-owned subsidiary in Sri Lanka - known as Lanka IOC Pvt. Ltd. (LIOC). LIOC took over 100 retail outlets owned by Ceylon Petroleum Corporation in February 2003. It is the only private-owned company besides the State-owned Ceylon Petroleum Corporation (CPC) that operates retail petrol stations in Sri Lanka. Building and operating storage facilities at Trincomalee tank farm, LIOC is involved in bulk supply to industrial consumers.

In order to facilitate operations of Lanka Indian Oil Corporation Pvt. Ltd. (LIOC), the Government of Sri Lanka has extended the following concessions :

a. A tripartite agreement signed between the Sri Lankan Government, CPC and LIOC guarantees that only three retail players (including CPC and LIOC) will operate in the Sri Lankan market for the next live years.

b. LIOC has also been allowed income tax exemption for 10 years from the date of commencement of operations and a concessional tax of 15% thereafter against the prevailing rate of 35%.

c. The Indian Oil subsidiary has also been granted customs duty exemption for import of project-related plant, machinery and equipment during project implementation period of 5 years, besides free transfer of dividend/income to India.As a strategic perspective, Indian Oil Corporation is moving towards globalizing its markets.

(I) IOC has adopted a mix of entry modes for approaching international markets. Critically evaluate the factors affecting IOC'S selection of these entry modes?

(II) In view of the emerging economic political scenario, evaluate IOC'S entry into Sri Lanka as a Wholly Owned Subsidiary.

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