

College of Applied Business (CAB)

Sent-up Examination, February 2015

BBA / Fifth Semester / MGT207: International Business

Candidates are required to give their answers in their own words as far as practicable.

Section A

Time: 20 minutes

Answer all of the following?

[10×1=10]

1. Differentiate between joint venture and strategic alliance.
2. List out any two problems of OPEC.
3. Differentiate between sporadic and persistent dumping.
4. What does Product Life Cycle theory say?
5. List out any 4 reasons behind use of trade barriers.
6. Who are the major participants of a forex market?
7. What is the difference between absolute advantage theory and comparative advantage theory?
8. What is gold exchange standard?
9. List out any 5 multinational companies present in Nepal.
10. What are various modes of IB?

Section B

Time: 30 minutes

Short answer questions. (ANY TWO)

[2×5=10]

11. Discuss in detail about Power Trade Agreement.
12. Nepal is a member of many regional groups and international agencies. What are the possible advantages and disadvantages of such membership to Nepal?
13. How can a domestic company enter into foreign market? Explain about those various ways.
14. How can a nation limit the growth of foreign companies within its boundary?

Section C

Time: 80 minutes

15. Read the following case carefully and answer the questions given below.

The Bilateral Investment Promotion and Protection Agreement (BIPPA) signed between Nepal and India has generated debates in various circles. We have been hearing strong voices of opposition to BIPPA from different institutions. Nevertheless, the agreement is in the interest of the Nepalese and their national economy. The concern here will be to discuss the government policy about implementing this agreement. Various kinds of treaties and accords are needed in conducting the state to state relations. The treaty regimes guide the patterns of relations between any two countries.

One of the objectives of entering into the BIPPA with India or any other country was to promote industrialization, create employment in the manufacturing and services sector, increase government revenues and export trade and reduce trade imbalances that will finally help promote the welfare of Nepal and the Nepali people.

As Nepal and India have already signed the agreement, the important duty of all would be to explore ways and means on how the agreement could be utilized in the best manner for the promotion of Nepal's interests. If Nepal wants to have foreign investment, it must sign this kind of treaty with other countries as well.

In today's globalised economy no country can survive without getting involved in trade deals with other countries. No sane industrialist can invest money in another country without receiving an adequate assurance on the protection of their investment. Wisdom lies in harnessing the potential benefits from the globalizing pace of Nepali economy by generating complementarities and forging mutually reinforcing economic ties with neighboring countries and others. In this context, the present BIPPA agreement signed between Nepal and India is beneficial to both the countries. There is no reason to make a hue and cry without understanding the clauses and implications of the treaty.

Questions:

[4×5=20]

- a) What are the objectives of BIPPA?
- b) What are the challenges for BIPPA's implementation?
- c) What are the advantages that can be gained from this agreement?
- d) What obligations are created to Nepal as a result of BIPPA?