operating storage facilities at Trincomalee Tankfarm, LIOC is also involved in supply to industrial consumers.

In order to facilitate the operations of LIOC, the Government of Sri Lanka extended the following concessions.

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

(ii) 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 at 35%.

(iii) LIOC has also been granted custom duty exemption for import of project related plant, machinery and equipment during the project implementation period of five yrars, besides free transfer of dividend / income to India.

From a strategic perspective, Indian Oil Corporation is moving towards globalisation its market.

Question :

(i) Elaborate the terms : Exporting, Turnkey project, Strategic Alliance, Joint Venture, and wholly owned subsidiaries. 2x5=10

(ii) IOC has adopted a mix entry modes for approaching international markets, critically evaluate the factors affecting IOC's selection of three entry modes. 4

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PG (Even) Semester Examination, 2023

BUSINESS ADMINISTRATION

(4th Semester)

Course No.: MM-3212

(International Marketing)

Full Marks: 70

Pass Marks: 28

Time: 3 hours

The figures in the right margin indicate full marks for the question.

1. What is International Marketing? How does it differ from domestic marketing? Discuss in brief the process of Internationalisation. 2+6+6

Or

2. What is trade? Explain in brief the principles of Absolute Advantage, the principle of Relative Advantage, and the Factor Endowment theories of trade. 2+4+4+4

3. (a) What is the purpose of the establishment of International Economic Institutions? 2

(b) Discuss in brief the World Bank and the IMF. Make a comparison between the two in some important parameters. 4+4+4

Or

4. What is a trade barrier? Discuss in brief the various tariff and non-tariff barriers. 2+6+6

5. US Executive may feel unsure, for example, of how to cope with foreign payoffs, especially when requests for 'gifts' take on a form that most Americans consider bribes. Although payoffs obviously exist in the United States, they are detested in our culture. In consequence, this type of solicitation may suggest to even the most over-seas oriented Executives that US business values are morally superior to those used abroad.

This conviction, if sensed by foreign colleagues, can shatter the most carefully planned commercial ventures. My own initial experience with the Third World forms of bribery may serve as an example. It occrred in East Africa during the 1970s and began with this request "Oh, and Bwana, I would like [a sum of currency was specified] as Zawadi, my gift. And, as we are now friends, for chai, my tea and eight-band radio, to bring to my house when you visit."

Both chai (tea) and Zawadi (gift) can be Swalli term for 'bribe'. This particular suggestions were delivered in tones of respect. They came almost as an after thought, at the conclusion of negotiation in which details of a projected business venture had been settled one by one.

I had looked forward to buying my counterparts final drink, to symbollically complete the deal in American fashion. Instead, after every commercial aspect had been settled, he expected money.

The amount he suggested seemed huge at the time, but it was his specific request for a radio that angered me. Somehow, it added insult to my injury. Outwardly, I simply kept smiling. Inside, my stomach boiled. I was being asked for a bribe, a request my own culture would condemn. I didn't do it and didn't expect if from

to construct a port oil terminal on a turnkey basis at Mer Rouge.

Strategic Alliance

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

Joint Venture

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

Wholly own subsidiaries

IOC has set up a wholle-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 tones of vital petroleum products, auxiliary and bunkering facilities, and 25 modern petrol (and gas) station. IOML is also in the process of building infrastructre for the storage, bottling, and distribution of Indane and LPG. It is also planning to market its Servo Lubricants in Mauritius.

Besides, IOC has also formed a wholly-owned subsidiary in Sri Lanka known as Lanka IOC Pvt. Ltd. (LIOC). LIOC acquired 100 retail outlets owned by the Ceylon Petroleum Corporation in February 2003. It is the only private company besides state-owned Ceylong Pertoleum Corporation (CPC), the operate retail pertol stations in Sri Lanka. Besides buidling and

(ii) Political-Legal Environment

(iii) Selection of International Market

(iv) International Product Strategies

Or

7. (a) What is Export Documentation? What are Regulatory Documents and Operational Documents? Discuss the various instruments of payment in International Marketing. 1+3+3

(b) Write short note on any one of the following:

(i) International Pricing Strategies 7

(ii) UNCTAD and WTO

(iii) Public Sector trading Agencies

(iv) ECGC

(v) Commodity Boards

8. Indian Oil Corporation (IOC) is the largest commercial undertaking in India and the only Indian company in Fortune magazine's "Global 500 listing". As a part of its internationalisation strategy, it has entered Foreign Markets by using the following entry methods.

Exporting

IOC exports Servo Lubricant and other pertoleum products to a number of overseas markets including Bangladesh and Sri Lanka

Turnkey Projects

In October 2002, IOC set up a wholly-owned subsidiary- M/S Indian Oil Tanking Ltd. Mauritius

others. Beyond that, like most Americans, I expect all monetary discussion to precede the signing of contracts. In this instance, although negotiation were completed. I had been asked to pay once more. Once? How often? what were the rules? Were would it stop? My reaction took only moments to formulate. "I am American". I declared "I don't pay bribes". Then I walked away.

That walk was not the longest in my life. It was, however, one of the least commercially productive. For in deciding to conduct international business by American rules. I fasminated more than a commercial venture. I also closed a gate that opened into a Foreign culture. Beyond it lay the opportunity to do business in a wholly local fashion, as well as an interpersonel relationship that could have anchored my commercial prospects in that region for years to come.

Questions :

(a) Do you agree with the author's rejection of the request for 'gift'? Substantiate your answer. 2

(b) If you were in a similar situation, how would you handle the situation while considering your own need? 4

(c) What is Cultural Environment? How does it effect the International Marketing? 4+4

6. (a) Give salient features of India's new EXIM policy. Discuss trends and direction of India's trade. 4+5

(b) Write short note on anyone of the following :

(i) Economic Environment 5