PGDM (IB), 2017-2019
GLOBAL BUSINESS ENVIRONMENT
Subject Code: IB-208
TRIMESTER –II, End Term Examination, 2017

Time Allowed: 2 hours, 30 minutes   Max Marks: 50

Roll No:

Instruction: Students are required to write Roll No on every page of the question paper, writing anything except the Roll No will be treated as Unfair Means. In case of rough work, please use answer sheet.

Sections	No. of Questions to attempt	Marks	Marks
A	3 out of 5 (Short Questions)	5 marks each	3*5 = 15
B	2 out of 3 (Long Questions)	10 marks each	2*10= 20
C	Compulsory Case Study	15 marks	15
		Total Marks	50

SECTION A

Answer *any three* questions from this section.

1. How does a Bollinger band offer more insights into currency volatility than simple moving average?

2. How does the principal of non-discrimination apply to all WTO members?

3. How can TNCs be monitored by government for income transfer through transfer pricing?

4. How does effective rate of protection give a more detailed view of the government's strategy to provide passive support to domestic suppliers?

5. What is the methodology used by World Bank in ranking the business environment of nations?

SECTION B

Answer *any two* questions from this Section. Each question carries 10 marks.

1. Discuss the impact of tariff imposition graphically. Does the imposition of quota have the same impact as tariffs under all conditions?

2. When can a regional trading agreement be economically feasible between two nations? How does a free trade area differ from customs union?

3. What are the political risks in a business environment and how can they be reduced for foreign investors?

SECTION C

Read the case and answer the questions given at the end.

Bengaluru: Epsilon, a global data-driven marketing and loyalty solutions provider, is looking at formally entering the Indian market and will accelerate that process starting next year.

The firm, part of the US-based Alliance Data Systems Corp, has had a back-end office in Bengaluru since 2015. It is now looking at leveraging its team in the city to cater to Indian companies too and will look at increasing its headcount to do so. Epsilon's headcount in India will be at 2,000 by the end of the year. The company's existing operations in India include job functions ranging from creative capabilities to support its agency relationships to technology capabilities that support its loyalty and email platforms. "As we've built out the footprint (in India) we are also looking to leverage that skill to expand to parts of the market that we can't necessarily support from the US or from our other operations. That would be India but also the entire Asia Pacific region," Bryan Kennedy, the global chief executive officer of Epsilon, said in an interview.The company has already worked on developing digital assets for one of India's largest passenger car makers as part of its initial steps towards entering the Indian market. It is now in talks with the same auto company to offer its services to support these digital assets, including the car maker's mobile sites and applications. "The auto industry is a very strong sector for Epsilon (globally). It was a natural fit when it came to deciding which company to work with in India. I see that accelerating over time," said Ashish Sinha, the country head for Epsilon in India. Auto and retail are the largest industry verticals for Epsilon globally, followed by financial services. The company works with nine of the top 10 auto manufacturers in the world as their primary partner for marketing communications, according to Kennedy. The company is also looking at getting clients for its omni-channel messaging product, titled Harmony, in India. It has already managed to secure three clients for this product and plans to market Harmony to more companies early next year. Epsilon expects to begin by providing marketing solutions for subsidies of the global Fortune 500 companies - those it already works with in other markets – that have bases in India.

While it will have to expand its workforce in India to cater to these expansion plans, it does not have a concrete target or estimate yet. "We will get a better sense of that by the middle of next year. We will need to expand for sure," Sinha said. Epsilon's parent company - Alliance Data - earned $1.91 billion in revenue in the third quarter of 2017, according to a Reuter's story published last month. The parent company expects revenue of $7.8 billion for full year 2017 and $8.7 billion in 2018, Reuters reported.

1. In your opinion what were the results of the business environment research done by Epsilon on India before entering India.

2. Discuss its entry mode choices for India since 2015 and their rationale.