

PGDM - IB, Batch 2017-19

Geopolitics & Risk Analysis  
Subject Code : IB 402  
Batch 2017-19

Trimester – IV, End-Term Examination: September 2018

Time allowed: 2.5 Hours  
50

Max Marks:

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
		<b>Total Marks</b>	<b>50</b>

**Section A: Please attempt any three out of the five given questions**

**(5 marks each)**

1. Discuss the term "geopolitics" and its relevance in international business strategy.
2. What are the geo-economic risks plaguing nations? Explain using examples.
3. Discuss the role of other nations in the "Arab Spring" and its geopolitical implications.
4. What are your comments on the geopolitical strategy of United States in starting a trade war with China?
5. Discuss the evolution of India's geopolitical strategy over the last decade.

**Section B: Please attempt any two out of the three given questions: (10 marks each)**

1. How is energy a major determinant of international relations? How do maritime chokepoints hinder oil trade movement?
2. Discuss the geopolitical strategy of China in making its currency emerge as the international reserve currency.
3. Discuss how global trends are causing disruptions in the geopolitical strategy of nations.

**Section : C**

**Case Study**

**(7.5 marks each)**

**Malaysia's PM halts China's 'belt and road' but relations remain strong**

KUALA LUMPUR: Prime Minister Mahathir Mohamad's official visit last week has reaffirmed Malaysia's footing with China despite the Malaysian prime minister axing two 'One Belt, One Road' projects.

Mahathir's five-day trip to meet Xi Jinping was key in resetting the relationship. He expressed strong views on China's economic power during a meeting with Premier Li Keqiang on Monday morning. Mahathir warned about a "new version of colonialism" because poor countries were unable to compete with rich countries in open free trade. He said: "It must also be fair trade. Then I support free trade together with Prime Minister Li because I think this is the way to go for the whole world."

However, analysts remain optimistic about relations between Malaysia and China, noting that the warm attention given by Beijing was a sign of respect for the 93-year-old prime minister of Malaysia. China's President Xi Jinping himself welcomed Mahathir with the highest honors, including the red carpet treatment. "All in all, I think it was a good visit as it has reset Malaysia-Sino relations. Mahathir reaffirmed that he remains China-friendly and Malaysia is open for more Chinese investment," said Michael Yeoh, president of the International Strategy Institute and chairman of the World Chinese Economic Forum, adding that Mahathir was clear on the sort of investment Malaysia wants. Malaysia-based political analyst Dr. Oh Ei Sun told Arab News that bilateral relations between the two countries will not be affected by Malaysia's cancellation of several allegedly overpriced projects as there was still a large trade volume to consider. China is Malaysia's largest trading partner, while Malaysia is China's largest ASEAN trading partner. Sino-Malaysia bilateral trade was at \$US96.03 billion last year, witnessing a 10 percent increase.

Since the Pakatan Harapan government took office in May, Mahathir and his Cabinet have taken drastic steps to curb corruption and implemented a "belt-tightening" plan. Najib Razak, the former prime minister of Malaysia who was allegedly involved in a billion-dollar siphoning off of 1MDB state funds, was accused by Finance Minister Lim Guan Eng of mismanaging the country's coffers, which resulted in \$251 billion of debt.

In June, Mahathir announced that his administration would halt several massive budget projects from the previous Najib Razak administration, including the \$20 billion East Coast Rail Link and the state of Sabah's \$2 billion gas pipeline projects. "Mahathir and prior to that Daim Zainuddin (chairman of Malaysia's Council of Eminent Persons), had to go personally to China to explain to them Malaysia's dire indebtedness and therefore unaffordability to undertake those projects. As Malaysia's comprehensive strategic partner, China should understand that," Dr. Oh said.

"In the long run the Chinese government would prefer a well-administered Malaysia due to various geo-political considerations," said Jack Lim, director of business development at Gartner Inc. based in Kuala Lumpur. Lim told Arab News that it was a timely reminder to President Xi that Malaysia is supportive of Mahathir's desire to wipe out corruption and unsustainable business practices. Under Xi's administration, the Chinese government went on a massive anti-corruption campaign in which he vowed to crack down on "tigers and flies." More than 100,000 politicians and officials have been indicted for corruption since 2012.

According to China's state-run television CCTV, Beijing has expressed the need to strengthen cooperation with Kuala Lumpur via the new Silk road and explore cooperation in other countries involved in the initiative. Beijing has emphasized the need to increase "strategic communication" between the two countries.

China's ambitious Belt and Road initiative is a vast trade and infrastructure vision spanning Asia, Europe and Africa. Australia-based Professor James Chin, from the Asia Institute, told Arab News that China still sees Malaysia as an important country for the initiative and its controversial South China Sea issues. Prof. Chin said that the two projects were only

"suspended" and not cancelled. "Mahathir wanted China to reduce prices on the two projects, but China is not ready to renegotiate," he said, adding that the Malaysian premier will wait until China is ready to reach a deal. "So far China has not reacted strongly to Mahathir's statements, even though their own press left out comments about "colonialism" and "fair trade," said Singapore-based political analyst Dr. Ian Chong. He said that Beijing was willing not to oppose the current administration's position, at least for now. "The visit hit all the right notes. Mahathir managed to get his message across, and China did not explicitly oppose it. The question is what the follow-up will look like," he said.

1. Discuss the Belt & Road Initiative of China in terms of its rising geopolitical powers.
2. Elaborate the approach taken by nations worldwide including Malaysia towards this geopolitical stance of China.