

TILAK MAHARASHTRA VIDYAPEETH, PUNE
MASTER OF BUSINESS ADMINISTRATION (M.B.A.)
EXAMINATION: DECEMBER - 2025
SEMESTER - IV

Sub.: Business Environment (MBA401)

Date : 31/12/2025

Total Marks : 60

Time: 2.00pm to 4.30pm

- Instructions:**
- 1) All questions are compulsory.
 - 2) Figures to the right indicate full marks.

Q. 1. Write Short notes on (Any Three) (15)

1. Scope of International Business
2. Difference between Globalization and Liberalization
3. Role of World Trade Organization (WTO)
4. Concept of Foreign Portfolio Investment (FPI)
5. Economic Integration and its Types

Q. 2. Answer in detail (Any One) (10)

1. Define globalization and explain its driving forces in international business.
2. What is international trade? Discuss the importance of international trade for developing countries.

Q. 3. Answer in detail (Any One) (10)

1. Explain the different strategies used by multinational corporations (MNCs) to operate in global markets.
2. Discuss the importance and functions of World Bank, IMF, ADB .

Q. 4. Answer in detail (Any One) (10)

1. Explain the concept of exchange rate and discuss the factors influencing exchange rate fluctuations.
2. Elaborate the concept 'Economic Environment'. Explain the components of the international economic environment.

Q. 5. Case Study (15)

TechNova Pvt. Ltd., a rapidly growing Indian software solutions company, is exploring opportunities to expand beyond its successful domestic market. With increasing competition and rising demand for digital solutions globally, the company aims to diversify its operations and establish a stronger international presence. After an extensive market assessment, TechNova has identified Japan, South Africa, and Canada as three promising destinations for expansion, each offering unique opportunities and challenges. In evaluating its internationalization strategy, the company is considering three major modes of entry. The first option is licensing, through which TechNova can grant foreign firms the rights to use its proprietary software in return for a fee or royalty. This approach reduces financial exposure and operational risk, making it a cost-effective method of entering new markets. However, it also limits the company's control over product quality, customer experience, and overall brand positioning in the foreign market.

The second option involves forming strategic alliances with established local companies in each target country. This collaborative approach enables TechNova to access valuable market insights, cultural understanding, and distribution channels while sharing technology and resources. Strategic alliances help reduce barriers to entry and enhance competitiveness, though they require effective coordination and strong mutual trust to succeed.

The third strategy under consideration is establishing a wholly-owned subsidiary, which would give TechNova complete ownership and control over its international operations. This mode allows the company to maintain high product standards, protect intellectual property, and implement uniform business practices across markets. Nevertheless, it requires substantial capital investment and exposes the firm to greater political, financial, and regulatory risks. Each market entry option presents distinct advantages and challenges, and TechNova must evaluate these carefully to determine the most suitable strategy for its global growth ambitions.

Questions:

1. Discuss the benefits and limitations of each mode of entry for TechNova Pvt. Ltd.?
 2. Considering the business environment in Japan, South Africa, and Canada, which mode of entry would be most suitable for each country and why?
 3. What key environmental factors (economic, political, cultural, legal) should TechNova evaluate before finalizing its global expansion strategy?
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