

Name:

Enrolment No:



UNIVERSITY OF PETROLEUM AND ENERGY STUDIES

End Semester Examination, December 2018

Course: International Marketing

Semester: V

Programme: BBA-FT

Time: 03 hrs.

Max. Marks: 100

Instructions: Read carefully all the instructions in all sections before you answer

SECTION A

Answer all questions

S. No.		Marks	CO
Q 1	Kind of joint venture in which company signs agreement with foreign producers to provide services or manufacture goods is classified as a. Investment ownership b. Contract manufacturing c. Joint ownership d. Management contracting	2	CO1
Q2	Way of entering foreign markets by setting up foreign manufacturing facilities is classified as: a. Direct investment b. Indirect investment c. Union ownership d. Export union	2	CO1
Q3	International marketing strategy according to which company uses separate marketing mix for each international target market is classified as a. Straight product marketing b. Product adaptation marketing c. Standardized global marketing d. Adapted global marketing	2	CO1

Q4	<p>The major drawback of India's export sector is due to:-</p> <p>a. Realistic assessment of the overall effect of modernization b. Absence of proper environmental analysis and definite objectives c. Economically efficient development of as sector on export earnings d. All of the above</p>	2	CO1
Q5	<p>Packaging to be satisfactory should satisfy the following:- It should be capable of understanding the hazards of handling and transport It should be easy to handle It should be manageable to quick examinations of contents It should be easy to identify It should be adequately marked Must confirm to buyers specification.</p> <p>a. False b. True</p>	2	CO1
Q6	<p>Technical, industrial and commercial steps which lead to the marketing of new manufactured products, commercial use of new manufactured products and commercial use of technical process and equipment are:-</p> <p>a. Strategic marketing may be defined as above, in the business contacts b. Advanced marketing may be defined as above, in the business contacts c. Innovation may be defined as above, in the business contacts d. None of the above</p>	2	CO1
Q7	<p>An exporter incurs several other costs, besides production costs. These costs may be cost of holding stocks, packing, transport, documentation, pre-shipment inspection, insurance, etc. Such costs are termed as:-</p> <p>a. Differential costs b. Delivery costs c. Selling and delivery costs d. Marginal costs</p>	2	CO1
Q8	<p>For practical purposes, the difference between the concept of international marketing and the concept of multinational marketing is</p> <p>a. Significant b. Insignificant c. Meaningful d. Adequate</p>	2	CO1
Q9	<p>International marketing is "the multinational process of planning and executing the conception, pricing, promotion, and distribution of ideas, good, and services to create</p>	2	CO1

	exchanges that satisfy individual and organizational objectives." The definition fails to recognize a. Product b. Place c. Promotion d. Pricing e. All of the 4 Ps are recognized		
Q10	Firms that combine aspects of centralization and decentralization are a. Ethnocentric b. Polycentric c. Geocentric	2	CO1
SECTION B Attempt all questions			
Q 1	Explain the concept of management orientation in International marketing.	5	CO2
Q2	Explain the type of foreign intermediaries.	5	CO2
Q3	Explain the concept of standardization vs adaptation.	5	CO2
Q4	Explain basic communication model.	5	CO2
SECTION-C Answer any two questions			
Q1	Explain determinantes of foreign mode of entry.	15	CO3
Q2	Explain the steps involved in product development in international marketing.	15	CO3
Q3	What is advertising effectiveness research? Explain comprehensive communication model.	15	CO3
SECTION-D (2x15=30 marks) <i>Read the following text and answer questions that follow:</i>			
Sony: The Sound of Entertainment			

There is ample evidence that shows that Sony satisfies a variety of criteria that are used to identify multinational corporations. Some pieces of the evidence may satisfy multiple criteria at the same time. For example, Sony's overseas assets and sales indicate its size, structure, performance, and behavior. Size In terms of size, there should be no question that Sony is big. It has more than 100 product lines with annual sales of \$50 billion. (According to the United Nations, a company is large when its sales volume exceeds \$100 million.) Sony Corp. has pioneered transistor radios, videocassette recorders, the Walkman, and, with Philips, the audio CD. Sony's sales of color TV sets account for more than 10 percent of the global market. While the stock price of Sony has performed rather poorly (the stock hit a multi-year low in 2003), it has significantly recovered. In any case, in terms of market value, among the global firms, Sony is No. 58. Structure Sony can also easily satisfy the structural definition. The brand is sold worldwide, and Sony is one of the world's most recognized brands. It is the most recognized brand in the United States. In terms of ownership, the company has facilitated foreign ownership by listing its stock on 23 stock exchanges, and foreigners also own 23 percent of its stock. Regarding the citizenship of its top management, Sony has given top foreign jobs to foreigners. According to Sony's executive deputy president and chief planner, "recruit the best possible local management. From our experience, that's the best direction." Sony has a policy of giving the top position in its foreign operations to a local national. For example, the president of its U.S. subsidiary (Sony Corp. of America) is an American. It is also the first major Japanese firm to have a foreigner as a director. Performance When performance is used to judge the degree of multinationality of Sony, the company also easily satisfies the various performance dimensions. First, Sony derives 80 percent of its sales from abroad. The U.S. sales account for about 30 percent of Sony's overall sales and even exceed the sales generated in Japan. In recent years, Sony suffered a loss of \$2.5 billions in the United States, and such large losses, strangely, show its commitment to this overseas market. 1 Regarding overseas assets, Sony has greatly invested in physical and human assets. It has a global workforce of 160,000. It has manufacturing operations in many countries. In addition to its technology center in Taiwan, the company has TV manufacturing facilities in Wales, the United States, Malaysia, and China. About 35 percent of its production are done abroad (i.e., locally). The company's TV manufacturing in the United States began in 1972. Only 150 out of its 7,100 employees in the United States are Japanese. Sony's properties include Sony Pictures Entertainment (formerly Columbia Pictures), Sony Music Entertainment (formerly CBS Records), Computer Science Lab in Tokyo, and Sony Pictures Imageworks in California (which creates special effects and TV commercials for other studios). Sony Electronics, a division of Sony Corp., has its U.S. corporate headquarters in San Diego. This facility employs 2,500 people, and it makes televisions, Vaio computers, Clie handled computers, digital cameras, digital set-top boxes, camcorders, and memory sticks. It generated \$11 billion in sales in 2003. Behavior,

	<p>as a dimension of multinationality, is more difficult than the structure and performance criteria to measure. Thus, students tend not to adequately address this dimension. Still there are several pieces of information that demonstrate Sony's international orientation. For example, Sony's Japanese executives generally speak better English than their counterparts at other Japanese companies, and most members of Sony's board spend a third of their time outside of Japan. Interestingly, Sony's CEO has been described as being unJapanese like. Sony has moved a production center to Malaysia and China for cheaper labor. It maintains a technology center in Taiwan--instead of in Japan. By listing its stock on 23 stock exchanges, Sony has facilitated foreign ownership. Non-Japanese executives hold the positions of country managers, and some of them also serve as directors. The heads of the U.S. and European operations sit on the board of the parent company. Sony's late co-founder, Akio Morita, promoted the first foreigners to Sony's board in 1989. He even once considered moving the headquarters to the United States. Sony appears to maintain a tight-loose control. Previously, the U.S. subsidiaries were given essentially total independence. Due to a loss of \$2.5 billion in the United States, Sony has exerted control over the U.S. operations. Some may view this control as a sign of ethnocentricity. Actually, one can argue that the independence previously granted to the U.S. units showed that the company was too polycentric. So the new exertion of control represents geocentricity instead. It is the role of the corporate parent to coordinate the activities of its overseas units. The fact that Sony views its New York unit as an extension of the headquarters may appear to be either ethnocentric or geocentric. Still a case can be made that the New York unit has become more integrated into the company's global system. In conclusion, Sony is one of Japan's most international corporations. It has moved toward international integration particularly within its planning, research, and design activities. This globalization strategy has enabled Sony to earn revenues and pay its bills in the same 2 currency. Unlike most Japanese companies that do not want foreigners as their senior management teams, Sony is much more progressive. The company's U.S. and European operations are led by an American and a European, both sitting on the board of the parent company. It is conceivable that Sony may become the first Japanese company to be run by a non Japanese.</p>		
Q1	Do you consider Sony to be an MNC (multinational corporation)?	15	CO4
Q2	What are the criteria that you use to make this determination? You need to provide factual evidence to show how these criteria are or are not met.	15	CO5