

VPM's
DR VN BRIMS, Thane
Programme: PGDM (2016-18)
PGDM Trimester VI Examination April 2018

Subject	International Marketing		
Roll No.		Marks	60 Marks
Total No. of Questions	7	Duration	3 Hours
Total No. of printed pages	2	Date	05.04.2018

Note: Q1 is compulsory and solve any FOUR from the remaining SIX questions.

Q1) 20 Marks (Compulsory)

BBC New York dated 30th March 2018

Industry ferment: US wine industry crushed over tariffs

The bottles have been caught up in a larger trade dispute, in which the US and China have exchanged threats to impose tariffs on billions of dollars worth of products, including American wine. Wine might seem like a bit player in the fight, which revolves around American concerns about Chinese state subsidies and rules they say pressure US technology firms and car-makers to hand over intellectual property. But as the two countries settle down to negotiate, the industry offers a glimpse of what's at stake in the confrontation, which has led to unease on financial markets and prompted warnings of a trade war. "It's a wait-and-see game right now," says Michael Parr, vice president of international sales for Wente Family Estates, which counts China as one of its top 10 markets and put its shipment on hold as the tariff talk flared. American officials have downplayed the dangers of retaliation to the US economy. But China, which included wine on a list of 128 products worth \$3bn targeted for potential tariffs, is confident that its growing market power, fuelled by a rising middle class, will give America pause. That's true even when it comes to wine, which represents a tiny fraction of the trade between the two countries. Exports represent only 5% of overall US wine sales. And only about 5% of wine exports, some \$79m, are destined for China. Wine-makers are worried about tariffs anyway. They say even if they can afford to lose business in China now, the country is critical to the industry's future. "We're not in a position to lose market share," Mr Parr says. When Mr Parr started in the business in China in 1994, working for the country's first importer of foreign wine, most products were aimed at expats and foreign businessmen. But Chinese tastes have changed. Wine consumption in China has increased almost five-fold since 2000, with imports surging from 1% to about a third of the market, says Chuan Zhou, a research director at UK-based Wine Intelligence. Interest in wine is also helping to drive tourism, making China the biggest source of foreign visitors to Napa Valley in 2016. China is the Napa Valley Wine Train's third largest international market; at the Beringer and Sterling vineyards in California, 20% of tours purchased are in Mandarin. Wente, a family-owned vineyard that produces roughly 700,000 cases of wine a year and exports about a fifth, has benefited from the surge in demand, with exports to China rising 80% this year before the talk of tariffs. "It's one of the top [markets] in terms of growth rates and growth potential," Mr Parr says. In some ways, American wines are playing catch-up in China, where French wines have long dominated. US bottles account for less than 5% of foreign wine sales, their appeal hurt in part by high prices tied to hefty fees China levies on most alcohol imports. Australia and Chile signed free trade deals with China in recent years to reduce those taxes, helping their sales.

- 1) "US and China have exchanged threats to impose tariffs" Discuss the reasons and strategies with reference to the above case. (10M)
- 2) "Australia and Chile signed free trade deals with China in recent years to reduce those taxes" What is free trade deals? Explain the implications of the same. (5 M)
- 3) Explain the reasons for increasing the demand of wine in china with reference to the above case. (5 M)

Attempt Any FOUR from the Remaining SIX Questions

Q2) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

a) Rs 11,000 cr Nirav Modi case: How Punjab National Bank fell victim to one of India's biggest bank frauds in 2017-18

b) Explain the process of forming export firm in India

c) State the difference between commercial and consular Invoice.

Q3) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) Write a note on pricing in International Marketing
- b) List the key emerging markets in the world. Discuss the reasons/drivers behind the same.
- c) Discuss the India's trade relations with other countries with relevant statistics.

Q4) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) Explain the factors in selecting international channels of product distribution?
- b) Are self reference criteria and ethnocentrism a real obstacles in IM?
- c) What are socio-cultural dimensions of international marketing?

Q5) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) What is bill of lading? Explain the significance of the same.
- b) Explain the concept of Ex-Works, FOB, CIF.
- c) Write a note on Trade Barriers

Q6) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) Explain the process of Letter of Credit
- b) Explain factors to consider when determining which documents are needed for a particular shipment
- c) Can international marketing be understood as a business philosophy?

Q7) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) What is the financial risk associated with international marketing? How ECGC helps in reducing the same in India?
- b) Explain the concept of transfer pricing.
- c) How marketing communications are managed in IM? Explain.