IOC needed Government's permission to invest abroad. Application by Indian company for investing abroad is to be scrutinized by a special committee represented by the Reserve Bank of India and the finance and commerce ministries. By the time the government gave the clearance for the acquisition in December 2005 (i.e. more than a year after the application was made), the prices had bounced back to $58 per barrel. And the Elf of France had virtually taken away the deal from under IOC's nose by acquiring the Premier Oil.

The RBI, which gave IOC the approval for $35 million investment, took more than a year for clearing the deal because the structure for such investment were not in place, it was reported.

Questions:

(a) Discuss the internal, domestic and global environment of business revealed by this case.

(b) Discuss whether it is the domestic or global environment that hinders the globalization of Indian business.

(c) Even if Elf had not acquired Premier Oil, what would have been the Impact of the delay in the clearance on IOC?

(d) What would have been the significance of the foreign acquisition to IOC?

(e) What are the lessons of this case?

MBMM 4005

M.B.A. DEGREE EXAMINATION,
DECEMBER 2014/JANUARY 2015.

Fourth Semester

Marketing

GLOBAL MARKETING

(2012-2013 batch onwards)

Time : Three hours Maximum : 100 marks

SECTION A — (5 × 6 = 30 marks)

Answer any FIVE out of the following.

1. What is legal environment? Describe the different types of legal systems.

2. How will you assess and identify the International market?

3. What are the advantages of Direct Exporting?

4. Describe the major components of trade in services.

5. Enumerate the special factors to be considered while packing a product for the international market.

6. Explain the fundamental issues that need to be addressed in International advertising.

7. Describe the steps involved in developing international marketing communication.

8. Briefly describe the cultural dimensions of international marketing.

SECTION B — (5 × 10 = 50 marks)

Answer any FIVE out of the following.

9. Discuss the different factors that affect the environment of International marketing.

10. Describe the problems which are faced by International markets and also give appropriate suggestions to remove these problems.

11. Outline the basis steps of the marketing research process.

12. What are the major factors which need consideration while selecting a country for establishment of joint ventures?

13. What basic elements should a marketing plan comprise?

14. What are the three alternative approaches to global pricing? Which one would you recommend to a company that has global market aspirations?

15. Product Adaptation and Product Standardisation are two basic approaches for export product planning. For a Jewellery exporter from India, which strategy would be better and why?

16. Briefly discuss the global issues associated with physical distribution and transportation logistics. Cite one example of a company that is making efficient improvements in its physical distribution.

SECTION C — (1 × 20 = 20 marks)

Compulsory.

17. Case study :

The public sector Indian Oil Corporation (IOC), the major oil refining and marketing company which was also the canalizing agency for oil imports and the only Indian company in the Fortune 500. In terms of sales, planned to make a foray into the foreign market, be acquiring a substantial stake in the Balal Oil field in Iran of the Premier Oil. The project was estimated to have recoverable oil reserves of about 11 million tonnes and IOC was supposed to get nearly four million tonnes.

When IOC started talking to the Iranian company for the acquisition in October 2005, oil prices were at rock bottom ($43 per barrel) and most refining companies were closing shop due to falling margins. Indeed, a number of good oil properties in the Middle East were up for sale. Using this opportunity, several developing countries "make a killing by acquiring oil equities abroad".