

Roll No.

Time allowed : 3 hours

Maximum marks : 100

Total number of questions : 8

Total number of printed pages : 4

PART — A*(Answer ANY TWO Questions from this part.)*

1. (a) Distinguish between the following :

- (i) 'Market risk' and 'business risk'.
- (ii) 'Delphi techniques' and 'cross impact analysis'.
- (iii) 'Concentric diversification' and 'conglomerate diversification'.
- (iv) 'Management information system' and 'decision support system'.
- (v) 'Inter-firm comparisons' and 'intra-firm comparisons'.

(3 marks each)

(b) As a Company Secretary, how would you perceive the 'risk elements' that a shareholder will have in a company from financial risk point of view ?

(5 marks)

2. It is passenger operation which helps people at large connect with Indian Railways (IR). And yet, passenger services have generally been viewed by IR management largely as social service obligation. Passenger business have inflicted an annual loss of over ₹20,000 crore. Earnings of ₹23,488 crore from passenger traffic in 2009-10 accounted for only 27% of IR's gross revenues; freight earnings of ₹58,502 crore contributed 65%.

Passenger business worldwide accounted for 57% and freight 43% of the \$313 billion global rail market (in 2005). Not that railway passenger business is inherently loss-making. On IR, it is the ordinary second-class segment that is the major culprit. While the second class mail/express fare was 23.1 paise per km. in 2000-01; it remained stubbornly stuck at 23.2 paise per km. even in 2008-09. The ordinary second-class fare, largely responsible for loss-making, has remained untenably low at 14.9 paise per km. and suburban travel still lower, at 12.9 paise per km. The fare on State road transport services in 2008-09 averaged 48.37 paise per km.

About 10 million passengers in India travel by air in a month, IR transports twice as many in a day. Even so, IR accounts for a meager 12% of India's total passenger traffic, roads carrying over 87%. Cost-effective rail travel demand, far outstripping supply, will further grow substantially in view of the country's declining agriculture sector driving migration from rural areas for an integrated national labour market. The urban population is projected to rise from current 286 million to 575 million by 2030, keeping the population on the move. Also, the specter of climate change favours IR to reposition rail travel in preference to car and airlines.

There is projection of 7,189 million inter-city passengers by 2025-26 against 2,835 million passengers in 2007-08. If GDP grows 8% or more, annual demand for transport generally rises 10-12%, implying the number of originating non-suburban rail passengers exceeding 12,000 million by 2025.

On the basis of above case study, you are required to answer the following questions as the CEO of Indian Railways :

- (i) Describe the environmental factors responsible for performance of railways as a commercial entity. (5 marks)
 - (ii) Describe components of a strategic plan for railways to meet passenger demand highlighting consideration for each component. (10 marks)
 - (iii) Write a note on commercial revival of IR using Gap Analysis. (5 marks)
3. (a) Suggest ways to overcome resistance to change. Which is the least effective style of managing change and why ? (10 marks)
- (b) What are the ten 'P' elements of risk in business ? Describe at least one element for each 'P'. (10 marks)

PART — B

(Answer ANY ONE question from this part.)

4. (a) Hero Honda joint venture formed in 1984 is a classic case of strategic alliance involving the Indian company Hero Group and Japanese automobile major Honda Motorcycle. The alliance has been terminated with the entire 26% stake of Honda Motorcycle in the venture bought by the Hero Group. Selling out of the venture gives the Japanese company the freedom to go it alone in the world's second largest market for two-wheelers.
- (i) List out the advantages of the strategic alliance for both the organisations, in two-wheeler market in India. (5 marks)
 - (ii) What are the key success factors for managing an alliance ? In the light of these key success factors, identify the reasons for the termination of this successful joint venture. (5 marks)
- (b) Assuming that High Speed Auto Ltd. intends to acquire technical know-how to produce a small car for the Indian market in collaboration with a German car manufacturer, specify the broad issues to be covered in the agreement for foreign technical services in India. (10 marks)
5. Describe in brief the following in connection with direct investment outside India by an Indian company in an overseas joint venture (JV)/wholly owned subsidiary (WOS) under automatic route of FEMA :
- (i) Different methods of funding of investment.
 - (ii) The conditions to be fulfilled for investment by an Indian entity engaged in financial sector.
 - (iii) The conditions for capitalisation of exports and other dues.
 - (iv) Compliances of reporting of initial investment, subsequent investment and filing of annual returns.
 - (v) Conditions for allowing investments in JV/WOS through the medium of a special purpose vehicle (SPV).
- (4 marks each)

: 3 :

PART — C*(Answer ANY TWO questions from this part.)*

6. (a) State the similarities and differences between 'anti-dumping duty' and 'countervailing duty'.
(5 marks)
- (b) Highlight the differences between GATT and WTO.
(5 marks)
- (c) Elucidate the concept of 'most favoured nation' (MFN).
(5 marks)
- (d) Describe the significance of 'rules of origin' under WTO system for ensuring fair international trade.
(5 marks)
7. (a) Under the Madrid and Hague Systems dealing with the international registration of marks and industrial designs, match the following :
- | | |
|--------------------------|--|
| (i) Strasbourg Agreement | (a) Concerns with establishing an international classification for industrial designs. |
| (ii) Nice Agreement | (b) Establishing an international classification of the figurative elements of marks. |
| (iii) Vienna Agreement | (c) Concerning the international classification of goods and services for the purposes of the registration of marks. |
| (iv) Locarno Agreement | (d) Concerning the international patent classification. |
- (1 mark each)
- (b) State, with reasons in brief, whether the following statements are true or false :
- (i) Anti-dumping cases initiated by WTO have increased significantly since mid 1990s.
- (ii) Trade creation describes the situation where the removal of tariff barriers between members of the trading bloc now enable various products to be purchased at lower prices, thereby stimulating intra-regional trade.
(1 mark each)
- (c) Attempt the following :
- (i) Which two of the following are the most likely effects of the imposition of a tariff on an imported good —
- The domestic price of the imported good will fall
 - Overseas production of the good may be stimulated
 - Overseas unemployment will come down
 - The domestic price of the imported good will rise
 - Gain of tax revenue by the Government.

- (ii) Which two of the following arguments are used by critics of free trade —
- (a) Free trade does not take into consideration the productivity differences between countries
 - (b) Free trade may lead to unemployment
 - (c) Free trade often ignores the effects of monopoly elements on consumer welfare
 - (d) Free trade can only work within trading blocs
 - (e) Free trade reduces international specialisation.
- (iii) Which two of the following are the most integrated forms of regional trading arrangement —
- (a) Customs Union
 - (b) Economic Union
 - (c) Free trade area
 - (d) Multilateral trading area
 - (e) Common markets.

(1 mark each)

- (d) Explain the concept of 'boxes' under WTO terminology for agriculture agreement and briefly describe each of them.

(6 marks)

- (e) What are the principles of multilateral trading system under WTO ?

(5 marks)

8. (a) Re-write the following sentences after filling-in the blank spaces with appropriate word(s)/figure(s) :

- (i) The _____ of goods imported into India is the price paid or payable for the goods by the first independent buyer.
- (ii) _____ is the first ever set of multilateral, legally enforceable rules covering international trade in services.
- (iii) The Third WTO Ministerial Conference, 1999 was held in _____ between 30th November, 1999 and 3rd December, 1999.
- (iv) _____ increases the price of imported goods.
- (v) The _____ introduced the term 'European Union' in November, 1993.

(1 mark each)

- (b) "The subsidies and countervailing measures (SCM) agreement creates three narrowly defined categories of non-actionable subsidies." Explain.

(5 marks)

- (c) Briefly describe the role of appellate body in review of the panel report when a party to trade dispute files appeal against the panel report.

(5 marks)

- (d) Doha Ministerial Conference, 2001 has failed to fulfill its commitment to correct and prevent restriction and distortion in world agricultural market. Do you agree ? Discuss.

(5 marks)