



Name : .....

Roll No. : .....

Invigilator's Signature : .....

**CS/MMA/SEM-3/MMAESB-303/2009-10  
2009**

**SUBCONTRACTING AND GLOBAL ANCILLARISATION**

Time Allotted : 3 Hours

Full Marks : 70

*The figures in the margin indicate full marks.*

*Candidates are required to give their answers in their own words as far as practicable.*

**GROUP – A**

**( Multiple Choice Type Questions )**

1. Choose the correct alternatives of the following :

10 × 1 = 10

- i) The globalization of businesses has gathered momentum because of
  - a) Open trading and financial systems
  - b) Intense competition and growing business independence
  - c) information technology application
  - d) all of these.
- ii) In the globalization era, "going international" used to be the domain of ..... countries.
  - a) large
  - b) medium
  - c) exporrt-oriented
  - d) private.



- iii) SMEs going international usually have which of the following characteristics ?
- a) They are more often than not managed by family members
  - b) They are usually restricted to a narrow range of activities
  - c) Both (a) & (b)
  - d) Neither (a) nor (b).
- iv) Which one of the following countries define SMEs on the basis of number of employees ?
- a) India
  - b) Taiwan
  - c) South Korea
  - d) Singapore.
- v) The problems faced by SMEs going international does not include
- a) language and culture differences
  - b) lack of appropriate suitors
  - c) disparate business environments
  - d) lack of supportive government policies for small industries.
- vi) The government's role in helping SMEs going international does not include
- a) helping in supply chain formation and management
  - b) improving the business environment and infrastructure
  - c) acting as the guarantor for the SMEs
  - d) helping with cash grants or tax concessions.



- vii) Entente
- a) means striking of an alliance
  - b) means sharing control
  - c) is a fallout of globalization
  - d) all of these.
- viii) In a subcontracting linkage, the relationship between the parent firm and its subcontractors is ..... .
- a) unequal
  - b) skewed in favor of the latter
  - c) either (a) or (b)
  - d) neither (a) nor (b).
- ix) A major weakness of the development of small scale industries in India is the lack of a strong ..... relationship between large and small firms.
- a) supplementary                      b) complementary
  - c) ethical                                d) extra-legal.
- x) When the entire product is produced by the subcontractor and marketed by the parent unit under its brand name, the relationship is called
- a) product subcontracting
  - b) activity subcontracting
  - c) reverse ancillarization
  - d) none of these.



**GROUP – B**

**( Short Answer Type Questions )**

Answer any *three* of the following.  $3 \times 5 = 15$

2. Comment on how ancillarization has been used by Japan for developing their small scale sector.
3. Differentiate between outsourcing and subcontracting giving suitable examples.
4. Which is a better option - setting up a standalone business or going into subcontracting ? Give reasons for your answer.
5. Write a short note on internationalization and the reasons thereof.
6. Briefly discuss the role of NGOs in promoting subcontracting exchanges in India.

**GROUP – C**

**( Long Answer Type Questions )**

Answer any *three* of the following.  $3 \times 15 = 45$

7. Analyze the magnitude and incidence of subcontracting in rural and urban India highlighting the sectoral pattern of subcontracting.
8. Elucidate the salient features of subcontracting firms with the help of an analysis of available secondary data.
9. How does subcontracting relationships affect and influence technology transfer and technological development ? Discuss.
10. Explain and analyze subcontracting as a type of inter firm relationship.
11. What do you mean by global ancillarization ? How does it help us to overcome the constraints to the growth of ancillarization ?

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