



PAN AFRICA CHRISTIAN UNIVERSITY
END OF SEMESTER EXAMINATION FOR THE DEGREE
OF:
BACHELORS OF BUSINESS LEADERSHIP
BACHELOR OF COMMERCE
SEPTEMBER-DECEMBER 2016

CAMPUS: ROYSAMBU

DEPARTMENT: BUSINESS

COURSE CODE: BCM308 | BUS4012

COURSE TITLE: INTERNATIONAL BUSINESS MANAGEMENT

EXAM DATE: SATURDAY 10th DECEMBER 2016

TIME: 0900HRS-1200HRS

INSTRUCTIONS:

- Read all questions carefully before attempting.*
- Answer FIVE questions out of the SIX Provided*
- Question ONE is Compulsory*

Write your student number on the answer sheet provided.

SECTION A: 40 MARKS

QUESTION ONE

CASE STUDY

In 2002, McDonald's, the biggest global brand after Coca-Cola was about to announce the first quarterly loss since going public in 1965. Sales were falling and hundreds of underperforming restaurants were closed, earnings per share had fallen in six out of eight previous quarters. Market share was contested by a new breed of 'quick casual' restaurants such as Panera Bread and Pret A Manger. The chain ranked at the bottom of the University of Michigan's American Customer Satisfaction Index. To cap it all, it was targeted by a number of lawsuits brought against fast food companies in the US, and shirts and mugs inscribed with the words 'Stop super-sizing us' started multiplying across the country. However, as the company responded to the crisis, the sales in the US were boosted by new main-course salads and breakfast sandwiches in the first half of 2003, bringing the share prices up by 80%. Nevertheless, it is still for the future to show whether the recovery will be sustainable. One of the strategies they used as a part of the solution to their business problems was to go international.

a. Using the above case study;

i. Define the term International Business (2mks)

ii. Discuss **FIVE** challenges McDonald's company was likely to face in their plan to engage in international business (10mks)

b. State **FOUR** elements of globalization (4mks)

c. Describe **THREE** roles of Multinational Corporations(MNC's) in developing countries(6mks)

d. Explain **THREE** reasons why business men offer bribes in international business (6mks)

e. Highlight **FOUR** objectives of General Agreement on Tariffs and Trade (4mks)

f. Examine **FOUR** functions of the export credit insurance (8mks)

SECTION B: ANSWER THREE QUESTIONS (60 MARKS)

QUESTION TWO

a. Discuss **TWO** functions of the World Bank (4mks)

b. Explain the primary objectives of a responsible Company (8mks)

c. Highlight **THREE** moral obligation of international firms (3mks)

QUESTION THREE

a. Define the term Grey market (2mks)

b. Mention **THREE** issues of concern while carrying on International Business (3mks)

c. Explain the reasons why companies become Multinational Corporations (10mks)

QUESTION FOUR

a. Discuss the main functions of World Trade Organization (10mks)

b. Name **TWO** International Financial markets (2mks)

c. State **THREE** International economic indicators (3mks)

QUESTION FIVE

a. Explain **THREE** advantages of being members of trading blocs (6mks)

b. Describe the reasons behind the formation of the International Chamber of Commerce (6mks)

c. State **THREE** forms of economic integration (3mks)

QUESTION SIX

a. Describe **THREE** factors that an organization would consider when deciding whether to do business in a particular country (6mks)

b. Explain the significance of Economic Integration to International Markets (6mks)

c. Mention **THREE** basic Labor Issues in International business (3mks)