



PAN AFRICA CHRISTIAN UNIVERSITY

**END OF SEMESTER EXAMINATION FOR THE DEGREE OF
BACHELORS OF COMMERCE**

BACHELORS OF BUSINESS LEADERSHIP

JANUARY – APRIL 2018 SEMESTER

CAMPUS: ROYSAMBU

DEPARTMENT: BUSINESS STUDIES

COURSE CODE: BCM308 | BUS4012

COURSE TITLE: INTERNATIONAL BUSINESS MANAGEMENT

EXAM DATE: THURSDAY 12TH APRIL 2018

TIME: 5:30PM-8:00PM

INSTRUCTIONS

- This examination script consists of **Six (6)** questions.
- Read all questions carefully before attempting.
- Write your **student number** on the answer booklet provided.
- **Answer ALL questions in SECTION A and FOUR questions in SECTION B**

SECTION A: {40 MARKS ANSWER ALL QUESTIONS IN SECTION

QUESTION ONE

CASE STUDY

In 2002, McDonald's, one of the biggest global brand 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. McDonalds was also 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) State two strategies which Mc Donald's would employ to go international **(2mks)**
 - ii) Explain the significance of Mc Donald's decision to the company **(6mks)**
 - ii) Discuss Three challenges McDonald's company was likely to face in their plan to engage in international business **(6mks)**
- b. Describe **Three** roles played by Multinational Corporations in developing countries **(6mks)**
- c. Explain **Three** reasons why business men offer bribes in international business **(6mks)**
- d. Identify **Four** objectives of General Agreement on Tariffs and Trade **(4mks)**
- e. State **Three** moral obligations of international firms **(3mks)**
- f. Describe **Two** merits your business would for being a members of a trading bloc **(4mks)**
- g. Outline **Three** basic Labor Issues in International business **(3mks)**

SECTION B: 60 MARKS; ANSWER FOUR QUESTIONS

QUESTION TWO

- a). Define the term Eurobond **(2mks)**
- b). If you were to decide on whether to do business in a particular country, explain **Four** key factors you would consider **(8mks)**
- c). Other than Labor issues, state **Five** other concerns in international business **(5mks)**

QUESTION THREE

- a). Being an international marketer, explain **three** political risks posed by the host governments you are likely to face. **(6mks).**
- b). Explain **three** drivers of globalization **(6mks)**
- c). Identify **Three** forms of economic integration **(3mks)**

QUESTION FOUR

- a). Highlight **Three** functions of the World Bank **(3mks)**
- b). Discuss **Four** challenges of the East African Community **(8mks)**
- c). Explain **Two** reasons why firms become Multinational companies. **(4mks)**

QUESTION FIVE

- a). Discuss **Three** main functions of International Monetary Fund **(6mks)**
- b). Describe the reasons behind the formation of the International Chamber of Commerce **(6mks)**
- c). State **Three** International economic indicators **(3mks)**

QUESTION SIX

- a). Explain **Three** activities of the European Union **(6mks)**
- b). As an international business owner, explain the importance of export credit insurance **(6mks)**
- c). Outline **Three** business functions in global business **(3mks)**