



**PAN AFRICA CHRISTIAN UNIVERSITY
BACHELORS OF BUSINESS LEADERSHIP
END TERM EXAMINATION**

DEPARTMENT: BUSINESS

COURSE CODE: BCM 308/ BUS 4012

COURSE TITLE: INTERNATIONAL BUSINESS MANAGEMENT – DEGREE-ONLINE

Time: 08:00HRS-11:00HRS

Instructions

- Read all questions carefully before attempting.*
 - Answer FOUR questions out of the SIX Provided*
 - Question ONE is Compulsory*
- Write your student number on the answer sheet provided.*

SECTION A COMPULSORY

{10 MARKS}

QUESTION ONE

{10mks}

1. Which is the right sequence of a stages of Internationalization

- A. Domestic, Global, International, Multinational
- B. Domestic, Multinational, International, Global
- C. Domestic, International, Global, Multinational
- D. Domestic, International, Multinational, Global

2. A firm will get involved in International trade to;

- A. protect its home market
- B. spread risks
- C. test market product
- D. All of these.

3. International Bank of Reconstruction and Development refers to

- A. International Monetary Fund
- B. Euro Bank
- C. International Bank
- D. World Bank

4. Which of the following is a major benefit of joint production between a Multinational Company and a local Company?

- A.MNC can buy the local company
- B.MNC can bring latest technology in production
- C. MNC can control the increase in price
- D. None of the above

5. Key controllable factors in global marketing are

- A. Government policy and legislation
- B. Marketing activities and plans

- C. Social and technical changes
- D. All of the above

6. From the following are financial sources, which one is a source of external finance?

- A. WTO funds
- B. World bank group
- C. Export credit
- D. Foreign direct investment

7. Globalization refers to

- A. Lower incomes world wide
- B. A more integrated and interdependent world
- C. Global warming and their effects
- D. Less foreign trade and investment

8. NAFTA is an example of

- A. Common Market
- B. Customers union
- C. Economic Community
- D. Free trade Area

9. An analysis of the external environment enables a company to identify

- A. Strengths and threats
- B. Strengths and opportunities
- C. Opportunities and threats
- D. Weaknesses and opportunities

10. The main objective of International Monetary Fund (IMF) was to

- A. Promote international trade
- B. Maintain stable exchange rate
- C. Promote international liquidity
- D. Help economically backward countries

SECTIONB: ANSWER THREE QUESTIONS

{10 MARKS EACH}

QUESTION TWO

{10 MARKS}

Read the case study below and answer the questions that follow.

Triumph in niche exports

Triumph the bike manufacturer lost steam in its British home base three decades ago, but found new life by heading overseas. In 2010, Triumph sold just 7,562 bikes in the UK, but 50,000 worldwide, indicating that an international interest paid off for the company. Triumph's famous factory in Warwickshire closed up shop in 1983, but the Indian factory remained, and these days, the motorcycles have become the country's Harley Davidson. The company struggles to meet demand in India, with a six month waiting list and a new factory being built. India's middle class has embraced the vehicle as an affordable commodity.

- i. Discuss **four** key factors which informed the final decision by Triumph management to move their business to India (4mks)
- ii. Explain **Two** challenges Triumph company was likely face in its International business engagement in India (4mks)
- iii. Explain **two** benefits the company would derive from this strategic decision (2mks)

QUESTION THREE

{10MKS}

- a) Coca-Cola is a Multinational Company operation in many countries. Discuss its **Four** roles in developing countries (4mks)
- b) Jose was planning to expand his business to one of the South African countries and he settled on Botswana. Explain **three** factors he considered which informed his final decision (6mks)

QUESTION FOUR

{10MKS}

- a) Describe **four** basic Labor Issues in International business (4mks)
- b) You have been virtually invited for an interview for a position you applied for in the World bank. Explain to the panel **three** functions of the Bank (6mks)

QUESTION FIVE

{10MKS}

- a) Dane firm went international as a marketer of its products. Describe **Two** political risks posed by the host governments he would possibly face as an international marketer **(2mks)**
- b) XYZ is an International Company and in its expansion strategy, they are focusing on developing countries. Explain **two** reasons for their focus **(4mks)**
- c) Kenya is one of the members of Common Market for Eastern and Southern Africa. Discuss **Four** merits she derives from being a member of this trading block **(6mks)**

QUESTION SIX

{10MKS}

- a) Discuss **Four** reasons behind the formation of the International Chamber of Commerce **(4mks)**
- b) “The whole universe is a potential market for your products and services”. Explain **three** different market entry strategies that need to be developed to exploit this potential **(6mks)**

END OF EXAM