



PAN AFRICA CHRISTIAN UNIVERSITY
SCHOOL OF LEADERSHIP, BUSINESS & TECHNOLOGY
END OF SEMESTER EXAMINATION FOR THE DEGREE OF
BACHELOR OF BUSINESS LEADERSHIP
BACHELOR OF COMMERCE
SEPTEMBER-DECEMBER 2019

CAMPUS: ROYSAMBU

DEPARTMENT: BUSINESS STUDIES

COURSE CODE: BUS4012|BCM308

COURSE TITLE: INTERNATIONAL BUSINESS MANAGEMENT

EXAM DATE: FRIDAY 6TH DECEMBER 2019

DURATION: 2 HOURS

TIME: 9:00AM-11:00AM

INSTRUCTIONS

- Read the instructions and questions carefully before you write the answers.
- Write your **STUDENT NUMBER** in the Answer Booklet given
- *Write clearly and legibly.*
- This exam script consists of **Six (6)** questions.
- Answer **ALL questions in SECTION A (compulsory)** and **Any other three (3)** questions from **SECTION B**
- *ALL PAC University's examination rules and regulations apply*

SECTION A COMPULSORY

{30 MARKS}

PATR 1- MULTIPLE CHOICE QUESTIONS

(5MKS)

QUESTION ONE

1. Identify a factor that doesn't play an important role in attracting FDI

- A. Laws, rules and regulations, procedures and efficiency
- B. Language
- C. Cost of resources
- D. Infrastructure related factors

2. Key controllable factors in global marketing are

- A. Government policy and legislation
- B. Social and technical changes
- C. Marketing activities and plans
- D. All of the above

3. Typically the last step in the internationalization process is:

- A. Licensing
- B. Foreign Direct Investment
- C. Exporting
- D. Wholly owned subsidiaries

4. NAFTA is an example of

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

5. The country that attract the largest FDI inflow is

- A. Unites States of America
- B. India
- C. Chile
- D. China

PART II - ANSWER ALL QUESTIONS

{25 MKS}

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.

a)

i. Identify **three** key factors which informed the final decision by Triumph management to move their business to India. **(3mks)**

ii. Discuss the positive impact the above strategic decision had on the company **(4mks)**

iii. Explain **two** issues Triumph company was likely face in its international business engagement in India **(4mks)**

b) Outline **three** negative effects of globalization **(3mks)**

c) Identify **three** problems faced in the East Africa Community integration efforts **(3mks)**

d) Discuss **two** benefits of the International Chamber of Commerce's Code **(4mks)**

e) Explain **two** objectives of a responsible Company **(4mks)**

SECTION B: ANSWER THREE QUESTIONS {10 MARKS EACH}

QUESTION TWO

a) Outline **two** modes of globalization of production **(2mks)**

b) "The whole universe is a potential market for your products and services". Discuss **four** market entry strategies that need to be developed to exploit this potential **(8mks)**.

QUESTION THREE

a) State **Four** characteristics of Common markets **(4mks)**

b) Explain the significance of lowering barriers to trade between countries within a trading block **(6mks)**

QUESTION FOUR

a) Outline **four** basic Labor challenges in International business **(4mks)**

b) Explain the significance of Technological Changes in the foreign environment **(6mks)**

QUESTION FIVE

a) Identify **two** business functions you must manage in a global scale **(2mks)**

b) Discuss **four** functions of the International Monetary Fund **(8mks)**

QUESTION SIX

a) State **four** International financial markets **(4mks)**

b) Katana was planning to improve production in his international companies. Explain **three** critical aspects of his business you would advise him to pay attention to in order to achieve his goal. **(6mks)**

