



JARAMOGI OGINGA ODINGA UNIVERSITY

OF SCIENCE & TECHNOLOGY

UNIVERSITY EXAMINATIONS 2012/2013

**4TH YEAR 1ST SEMESTER EXAMINATION FOR THE DEGREE
OF BACHELOR OF BUSINESS ADMINISTRATION WITH IT**

(REGULAR)

COURSE CODE: ABA 408

COURSE TITLE: INTERNATIONAL BUSINESS MANAGEMENT

DATE: 20/8/2013

TIME: 9.00-11.00AM

DURATION: 2 HOURS

INSTRUCTIONS

- 1. This paper consists of 5 Questions.**
- 2. Answer Question 1 (Compulsory) and any other 2 questions.**
- 3. Write your answers on the answer booklet provided.**

- 1.a). Globalization of the world economy has led to the increased growth of MNC's
- ii). Explain the reasons why companies are expanding internationally. (10 mks)
 - iii). Explain **four** benefits of MNC to the host country. (4 mks)
- b). Briefly explain the following international trade theories:
- i). Theory of comparative advantage
 - ii). Factor Proportions Theory.
 - iii). Leontief Paradox
 - iv). Overlapping Product Ranges Theory. (16 mks)
- 2.a). Explain how the following disciplines have contributed to the understanding of International Business:
- i). Political science
 - ii). Anthropology
 - iii). Sociology
 - iv). Religion (12 mks)
- b). Identify and explain **four** strategies that international firms can create to gain competitive advantage in the global market place (8 mks)
- 3.a). Define a multinational corporation and give four categories of such firms. (6 mks)
- b). Choose any **three** foreign market entry strategies and explain their suitability for a global firm. (14 mks)

4.a). Explain how the following cultural factors impact on international business operations:

i). Language

ii). Aesthetics

iii). Material culture (9 mks)

b). Discuss the contextual factors that are likely to affect global marketing management of

MNC's. Support your answers with practical and relevant example. (11 mks)

5.a). Explain how the following forces impact on international business environment:

i). Financial forces

ii). Legal forces. (4 mks)

b). Firms globalize because of reactive or proactive reasons. Discuss. (16 mks)