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**JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY**

**SCHOOL OF BUSINESS AND ECONOMICS**

**UNIVERSITY EXAMINATION FOR THE DEGREE OF BACHELOR OF LOGISTICS & SUPPLY CHAIN MANAGEMENT**

**4TH YEAR 1ST SEMESTER 2013/2014 ACADEMIC YEAR**

**KISUMU L. CENTRE**

**COURSE CODE: BBM 3412/ ABA 408**

**COURSE TITLE: INTERNATIONAL BUSINESS MANAGEMENT**

**EXAM VENUE: STREAM: (BLSCM)**

**DATE:22/8/14 EXAM SESSION: 2.00 – 4.00PM**

**TIME: 2 HOURS**

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**Instructions:**

1. **Answer question 1 (compulsory) and any other 2 questions .**
2. **Candidates are advised not to write on the question paper.**
3. **Candidates must hand in their answer booklets to the invigilator while in the examination room.**

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 marks)

2. When the business firm cross national boundaries and begins to operate in a number of countries, it is faced with a wide range of differences in the new business environment that can significantly affect the achievement of its business objectives:

(a)Explain five factors contributing to the increased complexity (10marks)

(b) Explain five social- cultural variables that affect the operations of a multinational firm. (10marks)

(a) Using a well-labeled diagram, explain how the BCG Growth- Share Matrix can be applied in selecting a foreign market. (10 marks)

(b) Identify and explain five proactive reasons for firms going global. (10 marks)

4.a). b). Identify and explain four strategies that international firms can create to gaincompetitive advantage inthe global market place

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

MNC’s.Support your answers with practical and relevant example. (10mks)

5. Discuss the contextual factors that are likely to affect global financial management of

MNC’s.Support your answers with practical and relevant example. (20mks)