

KIBABII UNIVERSITY



UNIVERSITY EXAMINATIONS

**2019/2020 ACADEMIC YEAR
FIRST YEAR SECOND SEMESTER
SPECIAL/SUPPLEMENTARY EXAMINATION**

FOR THE DEGREE OF BACHELOR OF COMMERCE

COURSE CODE: BCO 124

**COURSE TITLE: INTRODUCTION TO INTERNATIONAL
BUSINESS MANAGEMENT**

DATE: 09/02/2021

TIME: 8.00AM-10.00AM

INSTRUCTION TO CANDIDATES

- 1) The paper contains **FIVE** questions
- 2) Attempt **THREE** questions
- 3) Question **ONE** is Compulsory

TIME: 2 Hours

KIBU observes ZERO tolerance to examination cheating

SECTION A

Question One

- a) According to International Business Journal, 'International business is a commercial enterprise that performs economic activity beyond the bounds of its location, has branches in two or more foreign countries and makes use of economic, cultural, political, legal and other differences between countries. Therefore, understanding this concept of international business management is very crucial for success in international markets. Briefly explain the stages of international business with their features (14 Marks)
- b) Explain why a firm will choose FDI over other types of selling their products. (6 marks)
- c) Describe what is meant by international marketing and explain the components of an International marketing environment? (10 marks)

SECTION B

Question Two

- a) Outline and explain the impact of cultural diversity and its recognition on international business management. Explain how stereotypes are both helpful and detrimental in cross cultural understanding. (10 marks)
- b) What is the importance of WB and IMF and what are their effects? (10 marks)

Question Three

As political, legal, economic, and cultural norms vary from nation to nation, various ethical issues rise with them. Discuss 5 (five) ethical issues that may arise (20 Marks)

Question Four

- a) Distinguish between the following; (12 Marks)
- i) Free Trade Area
 - ii) Trade Deficit
 - iii) trade barriers
- b) Distinguish between 'balance of trade' and 'balance of payment'. What are the reasons for disequilibrium in the balance of payment? (8 marks)

Question Five

- Write short notes on **FOUR** of following; (20 marks)
- i) NAFTA
 - ii) GATT
 - iii) Special Economic Zones
 - iv) TRIPS and TRIMS
 - v) Methods of payment