

CENTRAL UNIVERSITY



END OF FIRST SEMESTER EXAMINATION 2019/20

MANAGEMENT AND PUBLIC ADMINISTRATION DEPARTMENT

**CBMG 303: INTERNATIONAL BUSINESS
LEVEL 300**

DURATION: 2.5 Hours

STUDENT ID No.....

INSTRUCTIONS

ANSWER ANY THREE QUESTIONS. EACH QUESTION CARRIES 20MARKS

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Examiners: Addae-Korankye, Asibu-Yartey, and Nick Fobih

QUESTION 1

Both Foreign Direct Investment (FDI) and Foreign Portfolio Investment (FPI) have their merits and demerits to host nations.

- a) How different is Foreign Direct Investment (FDI) from Foreign Portfolio Investment (FPI)? (5marks)
- b) Discuss the advantages and disadvantages of FDI to a host country. (15 marks)

QUESTION 2

Globalisation has contributed immensely to the advancement of international business.

- a) Discuss any three factors that cause or drive globalization (12 marks)
- b) How does international business differ from domestic business (8 marks)

QUESTION 3

The type of economic system a country practices determines among other things how production is organized, how resources are allocated, and how prices of goods and services are determined.

- a.) Compare a free market economy, command economy and mixed economy. Where do you place your country's economy and why? (14marks)
- b.) Free market economies stimulate greater economic growth whereas state-directed economies stifle growth. Discuss. (6marks)

QUESTION 4

Selecting an entry mode to international market is one of the most difficult considerations of Multinational enterprises. Compare the following entry modes and discuss two relative merits and demerits of each entry mode.

- a) Licensing b) Franchising c) Wholly owned subsidiary (20 marks)

QUESTION 5

It is often said that trade restrictions are in the interest of a country whereas free trade is in the interest of all countries. Discuss this statement. (20marks)

QUESTION 6

Write short notes on the following:

- a) Turnkey project (5marks)
- b) Theocratic totalitarianism (5 marks)
- c) The theory of comparative advantage (5marks)
- d) Porter's Diamond of National Competitive Advantage (5marks)

QUESTION 7

It is often argued that economic integration has done more harm than good to the economies of developing countries.

- a) Distinguish between a Common Market and an Economic Union (8marks)
- b) Discuss 2 merits of and 2 impediments to Economic Integration (12marks)

QUESTION 8

Culture has a number of characteristics and dimensions.

- a) What is culture and what are its characteristics?
- b) Mention and discuss Hofstede's Five Dimensions of culture.

(10marks)

(10marks)