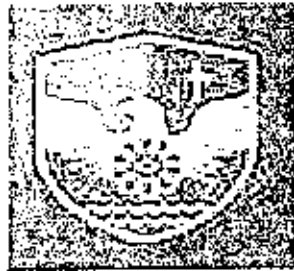


# CENTRAL UNIVERSITY

Inter-Semester EXAMINATIONS: 2015/2016

Resit/Supplementary Paper



DEPARTMENT OF MANAGEMENT & PUBLIC ADMINISTRATION

COURSE TITLE: INTERNATIONAL BUSINESS

COURSE CODE: SBMG 309

Date: August 2016

Time Allowed: 2 hours

STUDENT ID No: .....

### INSTRUCTIONS:

Answer question 1 and any other two questions

DO NOT TURN OVER THIS PAGE UNTIL YOU HAVE BEEN TOLD TO DO  
SO BY THE INVIGILATOR

### Question 1

The CEO of Captain Free Conglomerates in South Africa is worried about the performance of its subsidiaries in other countries. The company's workforce is performing creditably well in South Africa. It has become expedient to send some of the staff to other countries for managerial and related functions. Most of the members of staff have not travelled outside South Africa or Africa and so the company fears there may be expatriate failures.

You have been invited to:

- a. Explain the types of staffing policies in international business to them and indicate the one you will recommend. (15 marks)
- b. Explain expatriate failures and its related costs to business. (5 marks)
- c. Briefly discuss the reasons why expatriate managers fail to complete their foreign assignment and show whether expatriate failures differ by nationality?  
(10 marks)
- d. Identify the types of training you can give to expatriate managers and why it is important. (10 marks)

### Question 2

- a. With the aid of examples, distinguish globalization of markets from globalization of production. (20 marks)
- b. Explain the benefits and negative consequences of globalization. (10marks)

### Question 3

- a. What are first-mover advantages? (5 marks)
- b. Compare and contrast licensing agreements and franchising agreements. (25 marks)

**Question 4**

- a. Briefly describe the five levels of economic integration. (25 marks)
- b. Briefly explain the mercantilist philosophy. (5 marks)

**Question 5**

- a. What is the purpose of the principle of comity, and what conditions are required under it? (10 marks)
- b. Many companies are keeping their eyes on China. Why is China so important to international business? (10 marks)
- c. What are the three basic decisions a firm contemplating foreign expansion must make? (10 marks)