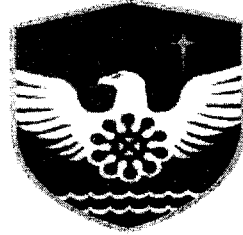


CENTRAL UNIVERSITY



NAME OF SCHOOL/FACULTY

NAME OF DEPARTMENT

FIRST SEMESTER RESIT EXAMINATION – 2022/23

COURSE CODE: INTERNATIONAL BUSINESS

LEVEL 300

SESSION: END OF 1ST SEMESTER EXAMINATION QUESTIONS

DATE:

DURATION: 2 ½ HOURS

STUDENT ID No.

INSTRUCTIONS:

- (i) Answer ALL from Section A and THREE (3) Questions from Section B
- (ii) All Answers must be provided on the Answer Sheet

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

SECTION A

Answer all the following questions.

Choose the correct answer from the alternatives A – D. All questions carry equal marks.

1. A greenfield strategy is used to
(A) acquire an existing company
(B) build a subsidiary from the ground up
(C) acquire franchises
(D) acquire licenses
2. The amount of FDI undertaken over a given time period is called
(A) outflows of FDI
(B) inflows of FDI
(C) stock of FDI
(D) flow of FDI
3. refers to the idea that managers should consider the social consequences of economic actions when making business decisions
(A) Corporate social responsibility
(B) Economic responsibility
(C) Social responsibility
(D) Business responsibility
4. Which of the following is the Japanese term for an organization's commitment to continuous improvement?
(A) Kaizen
(B) Zenkai
(C) Kaizen
(D) Zenkaio
5. A framework that helps firms recognize and address the economic, legal, social, and philanthropic expectations of society is
(A) Corporate social responsibility
(B) Social responsibility
(C) Corporate responsibility
(D) Community responsibility
6. records one time changes in the stock of assets.
(A) Current account
(B) Financial account
(C) Capital account
(D) Bank accounts
7. The accepted principles of right or wrong that govern the conduct of business people is referred to as
(A) ethics
(B) business ethics
(C) ethical behavior
(D) ethical strategies

8. In terms of social benefits, globalization promotes social cohesion, access to information, and
 - (A) westernization
 - (B) blending of cultures
 - (C) sovereignty
 - (D) independence
9. Which of the following statements support cultural relativism?
 - (A) When in Rome do as the Romans do
 - (B) The end justifies the means
 - (C) People are not machines
 - (D) Social responsibility of business is to increase profits
10. A term typically used with reference to construction projects for which the developer undertakes the whole responsibility from design to completion so that the building is available to the buyer in a ready-to-use condition is called a/an
 - (A) turkey project
 - (B) turnkey project
 - (C) acquisitions
 - (D) franchise
11. The process of closer integration and exchange between different countries and people worldwide refers to
 - (A) global market
 - (B) regional market
 - (C) internationalization
 - (D) globalization
12. Innovation and entrepreneurship require
 - (A) strong civil rights
 - (B) free movement rights
 - (C) strong property rights
 - (D) freedom of speech
13. What is the synergistic term for combining the promotion and selling of goods and services in an increasingly interdependent and integrated global economy?
 - (A) Market economy
 - (B) Economic integration
 - (C) Economic globalization
 - (D) Market globalization
14. is a situation where a government does not attempt to influence through quotas or duties what its citizens can buy from another country or what they can produce and sell to another country
 - (A) Free trade
 - (B) Integration
 - (C) Domestication
 - (D) Globalization

15. What name is given to the agreement used by service businesses in which an organization gives another organization its right, for a fee, to use its name and operating methods?
- (A) Franchising
 - (B) Licensing
 - (C) Acquisitions
 - (D) Foreign subsidiary
16. A cooperative agreement between two potential or actual competitors to undertake a mutually beneficial project while company retains her independence are known as
- (A) Franchising
 - (B) Joint venture
 - (C) Organizational alliances
 - (D) Strategic alliance
17. Which of the following occurs when a resource held in common by all, but owned by no one, is overused by individuals, resulting in its degradation?
- (A) Special tragedy
 - (B) Common tragedy
 - (C) Tragedy of the commons
 - (D) Simple tragedy
18. Taxes levied on imports that effectively raise the cost of imported products relative to domestic products are referred to as
- (A) import quotas
 - (B) tariffs
 - (C) subsidies
 - (D) embargoes
19. is selling goods in a foreign market below their costs of production, or selling goods in a foreign market below their "fair" market value.
- (A) Dompting
 - (B) Damp
 - (C) Damping
 - (D) Dumping
20. occurs when two or more enterprises encounter each other in different regional markets, national markets, or industries.
- (A) multilateralism
 - (B) multipoint competition
 - (C) midpoint competition
 - (D) bilateralism
21. Mercantilism is a trade theory
- (A) mid-18th century
 - (B) mid-17th century
 - (C) mid-16th century
 - (D) mid-15th century

22. Who is more associated with the 'Theory of Absolute Advantage'?
- (A) Dunning
 - (B) Adam Smith
 - (C) Hofstede
 - (D) Michael Porter
23. Who is the proponent of the 'Theory of Comparative Advantage'?
- (A) Dunning
 - (B) Adam Smith
 - (C) Hofstede
 - (D) Michael Porter
24. External force in international business is also known as
- (A) Competitive forces
 - (B) Controlled forces
 - (C) Distributive forces
 - (D) Uncontrolled forces
25. All the forces influencing the life and development of a firm in international business is referred to as
- (A) atmosphere
 - (B) conditions
 - (C) environment
 - (D) program
26. Which of the following is correct as regarding forces of international business?
- (A) Domestic, regional and international
 - (B) Domestic, foreign and international
 - (C) Foreign, sub-region and global
 - (D) International, local and regional
27. is when a government sees that local industries are being threatened by imports and responds by erecting import barriers to stop or reduce these imports.
- (A) Preventionism
 - (B) Protectionism
 - (C) Embargo
 - (D) Quotas
28. The system whereby a government plans the goods and services that a country produces, the quantity that is produced and the prices at which they are sold is termed as
- (A) command economy
 - (B) market economy
 - (C) mixed economy
 - (D) open economy
29. Comparative advantage focuses on lower opportunity cost of goods production while absolute advantage focuses on
- (A) economic welfare
 - (B) social welfare
 - (C) labour cost
 - (D) monetary cost

30. All the following are regional institutions except
- (A) APEC
 - (B) NAFTA,
 - (C) The BRICS,
 - (D) WTO
31. The removal of legal restrictions to the free play of markets, the establishment of private enterprises and the manner in which private enterprises operate is called
- (A) liberalization
 - (B) privatization
 - (C) protectionism
 - (D) regulation
32. A document issued by a bank at the request of an importer, which states that the bank will pay a specified sum of money to a beneficiary, normally the exporter is called
- (A) bill of lading
 - (B) bill of exchange
 - (C) draft
 - (D) letter of credit
33. A reciprocal buying agreement, which occurs when a firm agrees to purchase a certain amount of materials back from a country to which a sale is made is known as
- (A) Barter
 - (B) counter purchase
 - (C) counter trading
 - (D) switch trading
34. The Human Development Index (HDI) of a country is measured based on the following indicators except
- (A) educational attainment
 - (B) income levels
 - (C) life expectancy at birth
 - (D) race
35. The European Free Trade Area (EFTA) is made up of members.
- (A) 4
 - (B) 6
 - (C) 8
 - (D) 10
36. The Great Depression occurred in the
- (A) 1920s
 - (B) 1930s
 - (C) 1940s
 - (D) 1950s
37. Which was the last country to join the EU in 2013?
- (A) Bulgaria
 - (B) Croatia

- (C) Estonia
- (D) Romania
- 38. The Asia-Pacific Economic Cooperation (APEC) has members including the United States, Japan, and China
 - (A) 7
 - (B) 12
 - (C) 21
 - (D) 31
- 39. occurs when low cost producers within the free trade area replace high cost domestic producers.
 - (A) Counter trade
 - (B) Counter purchase
 - (C) Trade creation
 - (D) Trade diversion
- 40. Which of the following has achieved a freer trade area?
 - (A) AU
 - (B) EU
 - (C) NAFTA
 - (D) ECOWAS

SECTION B

Answer THREE (3) Questions from this Section

1. a) What is Marketing Mix?

b) The current consensus is that while the world is moving towards global markets, global standardization is not possible. Identify and explain any four (4) factors that may hinder global standardization.

2. a) Differentiate between Economic Union and Political Union **(4 Marks)**

b) Discuss four (4) concepts in Foreign Direct Investment (FDI) showing their importance in facilitating the global economy **(16 Marks)**

3. a) Differentiate between Theory of comparative Advantage and Theory of Absolute Advantage **(4 Marks)**

b) Examine four (4) modes of entry strategies used by international businesses to enter new markets showing their benefits and challenges **(16 Marks)**

4. a) Differentiate between Mercantilism Theory and Heckscher-Ohlin Theory **(4 Marks)**

b) Discuss four (4) Global Strategies used by international businesses to operate in foreign markets showing their benefits and challenges **(16 Marks)**

5. a) Differentiate between Product Life-Cycle Theory and New Trade Theory **(4 Marks)**

b) Discuss four (4) potential benefits and five (5) challenges under the AfCFTA **(16 Marks)**