

JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY

KISUMU LEARNING CENTRE

**AUGUST 2014 EXAMINATIONS: BACHELOR OF BUSINESS ADMINISTRATION/LOGISTICS AND
SUPPLY CHAIN MANAGEMENT**

ABA 408/BBM 3412: INTERNATIONAL BUSINESS MANAGEMENT

YEAR 4 SEMESTER ONE

DURATION 2 HOURS

INSTRUCTIONS

- 1. This paper contains five questions**
- 2. Answer question 1 (compulsory) and ANY other 2 Questions**
- 3. Write all answers in the booklet provided**

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. (16mks)

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 gain competitive advantage in the 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)