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**University Examinations 2015/2016**

THIRD YEAR, SECOND SEMESTER EXAMINATION FOR THE DEGREE OF BACHELOR OF COMMERCE

AND

THIRD YEAR FIRST SEMESTER EXAMINATION FOR THE DEGREE OF BACHELOR OF BUSINESS INFORMATION TECHNOLOGY

**BFB 3366: INTERNATIONAL BUSINESS MANAGEMENT**

**DATE: NOVEMBER 2015 TIME: 2HOURS**

**INSTRUCTIONS:** *Answer question* ***one*** *and any other* ***two*** *questions*

**QUESTION ONE (30 MARKS)**

1. Explain 5 possible political risks that are faced by international business organizations today.

(5 Marks)

1. Highlight five key factors that an organization needs to consider before investing in

a foreign country. (5 Marks)

1. Identify and explain 5 common payment methods used for an international business (5 Marks)
2. Briefly identify five factors you will need to consider in the process of deciding where to

locate production facilities in a foreign country. (5 Marks)

1. Most decisions facing international business are affected by the environment of the

country in which the transaction occurs. Briefly discuss five key factors that influence

international business operations. (10 Marks)

**QUESTION TWO (20 MARKS)**

1. Discuss importance of foreign direct investment in international business (10 Marks)
2. Explain any two foreign market entity strategies. (10 Marks)

**QUESTION THREE (20 MARKS)**

1. Discuss the role of world trade organization in international business. (10 Marks)
2. Discuss the relevance of culture in international business management (10 Marks)

**QUESTION FOUR (20 MARKS)**

1. Management of human resource in international assignment require unique considerations.

Discuss unique considerations required in the following areas:

1. Compensation (10 Marks)
2. Training and development (10 Marks)

**QUESTION FIVE (20 MARKS)**

Discuss social economic benefits that Kenya would enjoy by being member of East African Community (EAC). Are there challenges associated with such integration initiatives? (20 Marks)