



GRETSA UNIVERSITY - THIKA

UNIVERSITY EXAMINATIONS JANUARY – APRIL 2017 SEMESTER

BACHELOR OF COMMERCE

COURSE CODE: BCBA 410

COURSE TITLE: INTERNATIONAL BUSINESS MANAGEMENT

DATE: 6 APRIL 2017

TIME: 3.00 PM – 6.00 PM

INSTRUCTIONS TO CANDIDATES

1. QUESTION ONE IS **COMPULSORY**.
2. ANSWER ANY OTHER **THREE** QUESTIONS.
3. **DO NOT** WRITE ANYTHING ON THIS QUESTION PAPER AS IT WILL BE AN EXAM IRREGULARITY.
4. ALL ROUGH WORK SHOULD BE AT THE BACK OF YOUR ANSWER BOOKLET AND CROSSED OUT.

CAUTION: All exam rooms are under CCTV surveillance during the examination period.

1) a) Trade agreements encompass contractual agreements between states concerning their relationships. It may be based on bilateral or multilaterals that is between two states or more than two states. Trade agreements are one way to reduce the barriers between countries on trade. Discuss the various international trading agreements. (20 marks)

b) Write short explanation of the main international trade theories. (5 marks)

i. Mercantilism theory (5 marks)

ii. Theory of absolute advocate (5 marks)

iii. The comparative advantage theory (5 marks)

2) a) 1) Exporting is the oldest and the most basic form of international business. It is defined as the process of seeking foreign markets from home country facility. Discuss 2 major forms of exporting. (5marks)

a) 2) State the three main ways in which international marketing research differ from purely domestic market research. (5marks)

b) Explain the impact of the social cultural environment in international business.(10 Marks)

3) a) State and explain five characteristics of the multinational enterprise. (10 Marks)

b) State and explain why international business is needed. (10 Marks)

4) a) International business activities take place in multiple complex environments. These include forces that affect a firm immediate environment such as: customers, supplier, competitors, labor markets etc. Discuss the environmental factors that affect the operations of

the international business.

(10marks)

b. International trade is the exchange of commodities, products, services, capital between people and companies in different countries. It forms a significant part in many countries Gross Domestic Product (GDP). You find that international trade has a lot of impact on the economies of many countries. Discuss the factors that influence international trade.

(10marks).

- 5) a) There are various factors that which create favorable conditions for strategy development and resource allocation on a global basis. Discuss the factors which bring about globalization.

(10

marks).

- b) International pricing decisions are very complex and are often faced with difficulties such as initial price setting, price change as reaction dose to competitors - .Discuss the factors that influence international pricing decision.

(10 marks)