

UNIVERSITI SAINS MALAYSIA

Final Examination
Semester I, Academic Session 1994/95

October/November 1994

AGW607 - INTERNATIONAL BUSINESS MANAGEMENT

Time: [3 Hours]

Instructions

Please make sure that this examination paper consists of TWO printed pages before you begin.

There are SEVEN questions. Attempt any FIVE questions.

Q1. Do you foresee an increased, decreased or changed role of the institutions governing international trade and investment? Explain.

[20 marks]

Q2. (a) Explain the following:

- (i) Free trade area
- (ii) Customs union
- (iii) Common market
- (iv) Economic union

[10 marks]

(b) Are trading blocs building blocs or stumbling blocs?

[10 marks]

Q3. How does Factor Proportions Theory differ from Product Cycle Theory? Discuss.

[20 marks]

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Q4. Explain how international business has forged a network of global linkages and how countries, institutions and individuals are affected by them.

[20 marks]

Q5. (a) The availability and adequacy of certain infrastructures determines the opportunities for a business entity to operate. What are they?

[10 marks]

(b) Assume that a Saudi Arabian business entity has expressed interest in doing business with you. What type of preparations would you make

- (i) in the short term, and
- (ii) in the long term?

[10 marks]

Q6. What constraints do international managers face when marketing to or sourcing from newly emerging market democracies (NEDS)? What problems do they face in working with firms in NEDS? Is the effort worth the results? Why or why not? Discuss.

[20 marks]

Q7. (a) How can a firm maintain control in a joint venture in which it is a minority owner?

[10 marks]

(b) As a government official, would you prefer foreign direct investment from a resource seeker, efficiency seeker, or market seeker? Give reasons.

[10 marks]

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