

UNIVERSITI SAINS MALAYSIA
Master of Business Administration

First Semester Examination
Academic Session 1997 / 98

September 1997

AGW 607 - INTERNATIONAL BUSINESS MANAGEMENT

Time : [3 hours]

INSTRUCTIONS:

Please make sure that this examination paper consists of **TWO (2)** printed pages before you begin.

Answer questions **ONE (1)** and **TWO (2)** and **THREE (3)** other questions.

1. a. Using examples, describe how international business is different from domestic business.
b. Discuss how the Theory of Absolute Advantage is similar and different from the Theory of Comparative Advantage.
(20 marks)
2. Discuss the video "Issues in International Business" from the strategic perspective that brought about the failures faced by General Motors and the success enjoyed by Toyota and Mercedes Benz .
(20 marks)
3. Discuss the exposure management strategies that need to be carried out by MNCs to protect its assets from exchange rate fluctuations.
(20 marks)
4. Discuss how product or market factors influence a MNC's decision to use the concentration or the diversification strategy when moving into foreign markets.
(20 marks)
5. Discuss the implications of Hofstede's cultural dimensions to the operations of the MNC's .
(20 marks)
6. Discuss the reasons as to why MNC's favour the use of their own nationals to staff top management positions in their subsidiaries overseas.
(20 marks)
7. Discuss the factors that will determine the structures adopted by MNC's and the structures that can be used by them.
(20 marks)