



## GARISSA UNIVERSITY

UNIVERSITY EXAMINATION **2017/2018** ACADEMIC YEAR **FOUR**  
**FIRST** SEMESTER EXAMINATION

SCHOOL OF BUSINESS AND ECONOMICS

FOR THE DEGREE OF BACHELOR OF BUSINESS MANAGEMENT

COURSE CODE: BBM 475

COURSE TITLE: INTERNATIONAL BUSINESS MANAGEMENT

EXAMINATION DURATION: 3 HOURS

**DATE: 08/12/17**

**TIME: 09.00-12.00 PM**

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### INSTRUCTION TO CANDIDATES

- The examination has SIX (6) questions
- Question ONE (1) is COMPULSORY
- Choose any other THREE (3) questions from the remaining FIVE (5) questions
- Use sketch diagrams to illustrate your answer whenever necessary
- Do not carry mobile phones or any other written materials in examination room
- Do not write on this paper

This paper consists of THREE (3) printed pages

*please turn over*



### QUESTION ONE (COMPULSORY)

- (a) Outline the similarities between international and domestic business. [5 Marks]
- (b) Enumerate the forces for and against International business. [10 Marks]
- (c) Describe the scope of International business. [6 Marks]
- (d) Briefly explain how the following elements affect International Business:-
- i. Political factors [1 Mark]
  - ii. Social cultural factors [1 Mark]
  - iii. Legal factors [1 Mark]
  - iv. Ecological factors [1 Mark]
  - v. Physical environment [1 Mark]
- (e) Outline the Role of IMF and World Bank in international business [5 Marks]
- (f) Differentiate between a capitalistic and socialistic form of economic system [2 Marks]
- (g) Discuss 3 major trade theories [3 Marks]

### QUESTION TWO

- (a) Name and discuss four political systems that are practiced within the global world [4 Marks]
- (b) Discuss the effects of political situations in International business [6 Marks]
- (c) Explain the relevance of legal systems of an economy for international business [5 Marks]

### QUESTION THREE

- (a) Discuss the role of International and Regional bodies in International business [6 Marks]
- (b) Outline the role and composition of COMESA in International business [6 Marks]
- (c) State the principles of GATT. [3 Marks]

### QUESTION FOUR

- (a) Explain the reasons for Intra-Industry trade [4 Marks]
- (b) Discuss the assumptions of comparative cost advantages theory [7 Marks]
- (c) What are the factors that influence a country's attractiveness for international business [4 Marks]



**QUESTION FIVE**

- (a) Outline the main components of balance payments. **[6 Marks]**
- (b) Define the word Exchange rate **[1 Mark]**
- (c) What are the functions of a foreign Exchange market and who are its main players. **[8 Marks]**

**QUESTION SIX**

- (a) Differentiated the following terms:-
- i. Copyrights and trademarks **[1 Mark]**
  - ii. Balance of trade and balance of payments **[1 Mark]**
- (b) Outline the reasons for disequilibrium in balance of payments (B.O.P) **[6 Marks]**
- (c) What are exchange controls and why are they done **[7 Marks]**

