

CRAWFORD UNIVERSITY
FAITH CITY, IGBESA, OGUN STATE
COLLEGE OF BUSINESS AND SOCIAL SCIENCES
DEPARTMENT OF ADMINISTRATION AND MANAGEMENT
HARMATTAN SEMESTER EXAMINATION 2016/2017 SESSION

BUS 403: INTERNATIONAL BUSINESS **Units: 3** **Time Allowed: 2½hrs**

Instruction: Answer Question No. 1 and any other three Questions.

- 1a. What do you consider as rationales for international business transactions. (5mks.)
b. Briefly discuss the merits of global strategy in international business. (6mks.)
c. Given a two commodity world that comprises of two countries and suppose the countries possess 10,000 units of resources each. Using the principles of 'Comparative cost advantage', show whether engaging in international trade is beneficial to the world if country 'X' produces commodity 'A' at 100 units of resources per ton and commodity 'B' at 100 units of resources per ton. While in country 'Y', commodity 'A' is produced at 50 units of resources per ton and commodity 'B' is produced at 40 units of resources per ton. (10mks.)

Total = 21mks.

- 2a. Explain what is meant by:
i. Globalisation of market.
ii. Globalisation of production. (6mks.)
b. Has changes in technology influenced globalisation of production? Discuss. (7mks.)

Total = 13mks.

- 3a. Distinguish between "Spot exchange rates" and "Forward exchange rates" in a foreign exchange market. (5mks.)
b. Identify and examine four elements of culture that an international businessman must consider to be successful in the global market place. (8mks.)

Total = 13mks.

- 4a. List five goals that Economic Community for West African States (ECOWAS) is set up to achieve. (5mks.)
b. Examine the stages of integration that ECOWAS community needs pass through to enable it achieve the goals stated in 'a' above. (8mks.)

Total = 13mks.

- 5a. Define
i. Strategy of a firm.
ii. Value creation. (3mks.)
b. Discuss the primary activities that constitute the value chain in a manufacturing outfit like Nigerian bottling company, the producer of Coca cola drink. (10mks.)

Total = 13mks.

6. Using suitable examples, describe the following strategies adopted by multi-national companies (MNC) in the international market place.
i. International strategy.
ii. Multi-domestic strategy.
iii. Global strategy.
iv. Transactional strategy.
Total = 13mks.