



CRAWFORD UNIVERSITY

FAITH CITY, IGBESA

COLLEGE OF BUSINESS AND SOCIAL SCIENCES

DEPARTMENT OF ADMINISTRATION AND MANAGEMENT

HARMATTAN SEMESTER EXAMINATIONS 2023/2024 SESSION

BUS 403: INTERNATIONAL BUSINESS. TIME ALLOWED: 2HRS. 30MINS.

INSTRUCTION: Answer any four (4) questions.

1. a. Define the concept of international business. (5mks)
b. Identify and discuss various elements in the balance of payment statement of Accounting. (10mks)
Total = 15
2. a. Define the concept of production possibility curve. (5mks)
b. Using the principle of opportunity cost, graphically establish that a country benefits from international trade. (10mks)
Total = 15
3. a. Present the mercantilist's view on trade (5mks)
b. Define the theory of 'absolute' cost advantage of international trade. (5mks)
c. Discuss any Two (2) limitations of the theory mentioned in 'b' above. (5mks)
Total = 15
4. Using suitable examples, describe the following strategies adopted by multinational (MNC) companies in the international market place:
a. International strategy. (5mks)
b. Transactional strategy (5mks)
c. Global strategy. (5mks)
Total = 15
5. a. Describe the following concepts in international business:
i. Hedging. (2mks)
ii. Arbitrage (2mks)
iii. Terms of trade. (2mks)
b. With well labelled diagram, describe how to determine effective rate for exchange in the foreign exchange market. (9mks)
Total = 15
6. a. Distinguish between the concepts 'Fixed Exchange Rate' and 'Floating Exchange Rate' regimes in an economy. (5mks)
b. Differentiate between these concepts in the Foreign Exchange Market: