



**KOLEJ YAYASAN PELAJARAN JOHOR
FINAL EXAMINATION**

COURSE NAME : INTRODUCTION TO INTERNATIONAL BUSINESS
COURSE CODE : DSM3223
EXAMINATION : JUNE 2024
DURATION : 3 HOURS

INSTRUCTION TO CANDIDATES

1. This question paper consists of **TWO (2)** parts :
PART A (40 Marks)
PART B (60 Marks)
2. Candidates are not allowed to bring any material to examination room except with the permission from the invigilator.
3. Please check to make sure that this examination pack consist of:
 - i. The Question Paper
 - ii. An Objective Answer Paper
 - iii. An Answering Booklet

DO NOT TURN THIS PAGE UNTIL YOU ARE TOLD TO DO SO

*This examination paper consists of **8** printed pages including front page*

PART A

This part consists of **TWENTY (20)** questions.

Answer ALL in Objective Answer Paper.

1. The following factor does **not** differentiate the international business from domestic business.
 - A Trade policies.
 - B Product quality.
 - C Product mobility.
 - D Different currencies.

2. The following describe international business, **except**
 - A more to domestic operational.
 - B conducted between countries.
 - C involve transactions across international borders.
 - D involve transactions between parties from more than one country.

3. Why nations conduct international trade?
 - A Interest rates are not identical in all trading nations.
 - B Trade enhances opportunities to accumulate profits.
 - C Resources are not equally distributed among all trading nations.
 - D Some nations prefer to produce one thing while others produce other things.

4. Globalization has _____ the opportunities for a firm to expand its revenues by selling around the world and _____ its costs by producing in nations where key inputs are cheap.
 - A reduced, reduced
 - B increased, reduced
 - C reduced, increased
 - D increased, increased

5. What was the first economic theory of international trade?
- A The theory of Mercantilism.
 - B The Heckscher-Ohlin theory.
 - C The theory of absolute advantage.
 - D The theory of comparative advantage.
6. Theory of Mercantilism propagates
- A encouraging exports and imports.
 - B discouraging exports and imports.
 - C encouraging exports and discouraging imports.
 - D discouraging exports and encouraging imports.
7. Which of the following refers to the factors endowment theory?
- A Also known as the Adam Smith theory.
 - B Firm should specialized their product in order to gain more profit.
 - C Export products that use relatively abundant factors of production.
 - D Consists of four inter-related conditions namely factors, demand, firm strategy and supporting industry.
8. Porter suggests the following reasons for one nation being more competitive than another.
- A Abundant natural resources; skilled labour force; temperate climate; and democracy.
 - B Strong sporting ethos; emphasis on individual achievement; strong national party in-power; large home market.
 - C Factor conditions; demand conditions; related and supporting industries; and firm strategy, industry strategy and rivalry.
 - D Ability to speak English; a developed network of supporting industries; absence of competition; and low labour cost.

9. The firm that leases the right to use intellectual property is called
- A the lessor.
 - B the leasee.
 - C the licensor.
 - D the licensee.
10. A company that invests in a controlling interest in a foreign company is best described as engaging in which of the following?
- A International investment.
 - B Foreign direct investment.
 - C Foreign indirect investment.
 - D Foreign portfolio investment.
11. Which of the following factors is commonly considered when assessing alternative foreign markets?
- A Current size of market.
 - B Potential size of market.
 - C Competitive levels in market.
 - D All of the above.
12. McDonald's invests in an Asian country to increase the number of stores in the region. This action implies which of the following?
- A Exporting.
 - B Licensing.
 - C Acquisition strategy.
 - D Foreign direct investment.

13. First Glove Corporation Berhad is a Malaysian rubber glove manufacturer that owns and operate 60 manufacturing facilities in Malaysia, Thailand, China and Vietnam. Which of the following factor should be taken into account before First Glove considers the appropriate mode of entry in such countries?
- A Government regulation.
 - B Level of risk and competition.
 - C Physical infrastructure in host country.
 - D All the above.
14. _____ is a core concept of marketing theory.
- A 4Ps
 - B 6Ps
 - C Innovations
 - D International marketing
15. If company uses a geocentric approach to international marketing, which pricing policy does it most likely use?
- A Global.
 - B Market.
 - C Standard.
 - D Two-tiered.
16. Which is **not** a characteristics of international marketing?
- A It is a multinational process.
 - B It is a sub-part of marketing.
 - C It is concerned with home nation.
 - D It is a part of overall business activity.

17. Perodua operates a manufacturing facility in Georgetown, Penang. To build goodwill, Perodua provides grants to local charities, funds college scholarships to graduating high school students, and sponsors local youth sports teams. This is an example of
- A advertising.
 - B public relations.
 - C personal selling.
 - D sales promotion.
18. Microsoft tends to follow a geocentric staffing model. From which group will it tend to hire?
- A Host country nationals.
 - B Third country nationals.
 - C Parent country nationals.
 - D All of the above.
19. DYS Construction, a MNC, typically fills high-level foreign positions with host country nationals. Which staffing model is most likely used by DYS Construction?
- A Geocentric staffing model.
 - B Polycentric staffing model.
 - C Monocentric staffing model.
 - D Ethnocentric staffing model.
20. After several separate assignments in Japan, Mina feels as comfortable in Tokyo as she does in her hometown of Johor Bahru, Malaysia. Mina speaks Japanese fluently and her family practices cultural traditions from both Japan and the Malaysia. What stage of acculturation is Mina experiencing?
- A Adaptation phase.
 - B Honeymoon phase.
 - C Biculturalism phase.
 - D Dissilusionment phase.

[40 MARKS]

PART B

This part consist of **FOUR (4)** questions.

Answer ALL questions in Answering Booklet.

QUESTION 1

- a. Identify **four (4)** differences between domestic business and international business.

(8 marks)

- b. International business consists of business transaction between parties from more than one country. Explain **three (3)** importance of studying international business.

(7 marks)

QUESTION 2

- a. Describe any **three (3)** important points of Mercantilism theory.

(6 marks)

- b. Using the appropriate diagram, explain the Relative Factor Endowment Theory outlined by Eli Hecksher & Bestil Ohlin.

(9 marks)

QUESTION 3

- a. Describe **two (2)** advantages and **one (1)** disadvantages of international licensing strategy.

(6 marks)

- b. Discuss the **three (3)** primary Foreign Direct Investment methods.

(9 marks)

QUESTION 4

a. Elobarate the **four (4)** phases of acculturation.

(9 marks)

b. Explain the differences between expatriation and repatriation issues

(6 marks)

[60 MARKS]

END OF QUESTION PAPER

