



---

**KOLEJ YAYASAN PELAJARAN JOHOR  
FINAL EXAMINATION**

---

**COURSE NAME** : INTRODUCTION TO INTERNATIONAL BUSINESS  
**COURSE CODE** : DSM3223  
**EXAMINATION** : DECEMBER 2022  
**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. Which of the following is an example of international trade activities undertaken by Malaysian based company?
  - i. Selling processed food to Australia.
  - ii. Buying shares in foreign exchange market.
  - iii. Borrowing money from Bank Muamalat Indonesia.
  - iv. Providing Islamic financial services to our neighbouring country.

A i, ii, iii.  
B ii, iii, iv.  
C i, iii, iv  
D i, ii, iii, iv.
  
2. Which of the following is **NOT** benefit of international business?
  - A Decreased competition.
  - B Improved political relationship.
  - C Expanded business opportunities.
  - D Increased sources of raw materials.
  
3. Which of the following business entity engaged in international business activities?
  - A Small medium enterprise.
  - B State-trading corporation.
  - C Multi-national corporation.
  - D Non-governmental organization.
  
4. If a person learns international trade theories, he may gain which of the following information?
  - A Pattern of international trade.
  - B Benefits of international trade.
  - C Impact of government intervention on international trade.
  - D All the above.

5. Which of the following theory is useful in recommending the appropriate mode of entry which highly dependent on the transaction cost involved?
- A Internalization theory.
  - B Country Similarity theory.
  - C Product Life Cycle theory.
  - D Classical-Country Based theory.
6. India with huge number of population benefit from economies of scale in agricultural and textile sector. According to the Relative Factor Endowment Theory, we may expect which of the following situation to take place?
- A India will import labour intensive products.
  - B India will export labour intensive products.
  - C India will import capital intensive products.
  - D None of the above.
7. \_\_\_\_\_ are payments from one country to another that do not correspond to the purchase of any good, service, or asset.
- A Unilateral transfer
  - B Convertible currency
  - C Income on investment
  - D Dividend earn from investment in stock market
8. Which of the following transaction represent debit entry in balance of payment of a nation?
- A Capital inflow.
  - B Imports of goods.
  - C Gift received from abroad.
  - D Foreigners using local services.

9. \_\_\_\_\_ is a process by which both parties in the conflict agree to submit their cases to private individual or body whose decision they will honour.
- A Mediation
  - B Arbitration.
  - C Nationalization.
  - D Forum shopping.
10. Which of the following is an example on how political risk is monitored?
- A Arbitration.
  - B Confiscation.
  - C Doctrine of comity.
  - D Utilise insurance agencies.
11. Why culture is said to be 'adaptive'?
- A Its elements are interrelated.
  - B It is shared by members of the society.
  - C It could be transmitted from one member of society to another.
  - D It changes in response to external forces that affect the society.
12. In a \_\_\_\_\_, the conversation occurs is just as important as the words that are actually spoken.
- A high-context culture
  - B high-power distance
  - C short term orientation
  - D higher uncertainty avoidance
13. Which of the following factors may influence company's decision on mode of entry in international trade?
- A Global strategy.
  - B Government policy
  - C Resource availability.
  - D All the above

14. Your company own product that cannot be traded in an open market since it is intangible. Which mode of entry may suit your company to penetrate foreign market?
- A Licencing.
  - B Greenfield.
  - C Brownfield.
  - D Joint venture.
15. My company is recently established, with small capital and short of talented staff. Which mode of entry is recommended in this situation?
- A Exporting.
  - B Franchising.
  - C Turnkey project.
  - D Strategic alliance.
16. Your company intend to penetrate and operate in foreign market by entering an agreement with its supplier for mutual benefit of both parties, while each remain as an independent organizations. This implies which of the following mode of entry?
- A Licencing.
  - B Brownfield.
  - C Greenfield.
  - D Strategic Alliance.
17. When management believes or assumes that the home country is superior and the needs of the home country are most relevant in terms of doing business internationally, then management is thought to have a \_\_\_\_\_ business orientation.
- A Polycentric.
  - B Geocentric.
  - C Ethnocentric.
  - D Regioncentric.

18. Anxiety has ended as transplanted employee gains confidence in ability to function productively in new culture. Which of the following explain this statement?
- A Adaptation.
  - B Biculturism.
  - C Honey moon.
  - D Disillusionment.
19. \_\_\_\_\_ is said to take place when expatriates returning to their home countries.
- A Vetting
  - B Retaining
  - C Screening
  - D Repatriate
20. Identify correct statements with regards to training and development of staff by an international firm.
- A Could either be a standardized or customised program.
  - B Customised program is desirable since it is less expensive.
  - C Standardized program is developed based on specific needs of the host country.
  - D Standardized program is not desirable since it has higher standard of achievement.

[ 40 marks]

**PART B**

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

Answer ALL questions in Answering Booklet.

**QUESTION 1**

- a. Define political risk and explain how an international trader may be affected by the ownership risk and transfer risk.

(8 marks)

- b. What is multinational corporation (MNC's)? Discuss **three (3)** positive impact on a nation upon the establishment of multinational corporation (MNCs) in its economy.

(7 marks)

**QUESTION 2**

- a. Explain **two (2)** advantages and **two (2)** disadvantages of foreign direct investment (FDI) mode of entry.

(8 marks)

- b. Distinguish between Joint Venture and Strategic Alliance with examples.

(7 marks)

**QUESTION 3**

- a. "It is a common practice where multinational corporations (MNCs) that operates internationally with companies all over the world choose to adopt standardized instead of customized product policy". Why do you think so? Support your answer by giving **three (3)** reasons.

(9 marks)

- b. Briefly discuss the **three (3)** forms of business strategy in international marketing that can be adopted by a firm.

(6 marks)

**QUESTION 4**

- a. In international business, besides satisfying basic wants, compensation may satisfies the social and esteem needs. Identify and explain any **two (2)** factors that may have influence in determining the amount of financial compensation in international business.

(5 marks)

- b. Having expatriates for overseas assignment are necessary for MNC's operating abroad. Why do you think a company incline to adopt polycentric staffing philosophy as compared to other philosophy, by highlighting **three (3)** advantages and **two (2)** disadvantages.

(10 marks)

**[60 MARKS]**

**END OF QUESTION PAPER**