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ONLINE FINAL EXAMINATION

COURSE NAME : INTRODUCTION TO INTERNATIONAL BUSINESS
COURSE CODE : DSM3223
EXAMINATION : DECEMBER 2021
DURATION : 3 HOURS

INSTRUCTION TO CANDIDATES

1. This question paper consists of **TWO (2)** parts :
PART A (60 Marks)
PART B (40 Marks)
2. Please refer to the detailed instructions in this question paper.
3. Answer ALL questions in the answer sheet which is A4 size paper (or other paper with the consent of the relevant lecturer).
4. Write your details as follows in the upper left corner for each answer sheet:
 - i. Student Full Name
 - ii. Identification Card (I/C) No.
 - iii. Class Section
 - iv. Course Code
 - v. Course Name
 - vi. Lecturer Name
5. Each answer sheet must have a page number written at the bottom right corner.
6. Answers should be **neat and clear in handwritten form**.

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

*This examination paper consists of **11** printed pages including front page*

PART A

This part consist of **THIRTY (30)** questions.

Answer ALL in Answer Sheet.

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

2. Which one of the following is **NOT** a reason why companies engage in international business?
 - A Expanding sales.
 - B Diversifying sources.
 - C Exploiting resources.
 - D Reducing competitive risk.

3. Which of these is a characteristic of multinational corporations?
 - A At least on-third directors are foreign nationals.
 - B The company does 40% of its business in foreign markets.
 - C The overseas markets are larger than the domestic market.
 - D The affiliates are responsive to a number of important environmental forces.

4. With the globalization of markets, the tastes and preferences of consumers world-wide are
 - A converging upon a global norm.
 - B so different that they can be ignored by international in capital.
 - C becoming similar to the tastes and preferences of consumers.
 - D being encouraged by multinational organizations to become increasingly similar.

5. Which theory contributes to the development of a product from the day it is launched until the day it is obsolete in the consumer market?
- A Hecksher-Ohlin theory.
 - B Product Life Cycle theory.
 - C Porter's Diamond theory.
 - D Country Similarity theory.
6. How is comparative advantage defined?
- A How the world actually works.
 - B To produce and consume all goods without trade.
 - C Globalization, growing economic linkages among countries.
 - D You produce the things you are especially good at, and buy from others, the goods you are less efficient in producing.
7. Locational advantages are based on which combination of the following specific characteristic.
- A A large reserve of natural resources, a large local market and efficiency opportunities.
 - B A small reserve of natural resources, a large local market and efficiency opportunities.
 - C A small reserve of natural resources, a small local market and efficiency opportunities.
 - D A large reserve of natural resources, a small local market and efficiency opportunities.

8. The balance of payments account is conventionally divided into
- A Current Account and Capital Account.
 - B Visible Account and Invisible Account.
 - C Capital Account and Official Reserve Account.
 - D Long-term Capital Account and Short-term Account.
9. The sale of Toyota from Japan to Malaysia would be recorded as a merchandise export in the _____ account of Japan's balance of payments.
- A capital
 - B current
 - C export
 - D official reserves
10. Stevan is a vice president at Waja Steels, an MNC that manufactures computer chips. His company is considering expansion, and Steven is responsible for identifying potential locations. Which of the following would best help Steven identify a country's unilateral transfers and income generated by past investments?
- A Current Account Balance.
 - B Official Settlements Balance.
 - C Balance On Merchandise Trade.
 - D Balance On Goods and Services.
11. Judgements are based on detailed codes, rather than precedents under
- A Civil law.
 - B English law.
 - C Common law.
 - D Theocratic law.

12. Which of the following statement relating to civil law is **TRUE**?
- A The role of judges to apply the law.
 - B It is based on established practised.
 - C It is not applicable to criminal cases.
 - D The role of judges to interpret the law.
13. The operating risk in the host country does **NOT** include the risk of
- A sanctions.
 - B price controls.
 - C exchange control.
 - D change in government policies.
14. Detailed knowledge about a culture that enables people to live and work within it is called
- A aesthetics.
 - B social mobility.
 - C cultural literacy.
 - D cultural diffusion.
15. Country with high uncertainty avoidance will witness
- A people are serene.
 - B lower level of stress among people.
 - C less dependence on rules and regulations.
 - D decision was taken as a result of group consensus.
16. As per cultural dimensions of Hofstede, masculinity refers to
- A war-ridden societies.
 - B male-female ratio in the country.
 - C society dominated by male members.
 - D society characterized by aggressive and materialistic behaviour.

17. Which of the following questions do companies **NOT** need to consider before deciding to export?
- A Is exporting consistent with other company goals?
 - B What is the variability of the home-country's import tariffs?
 - C What demands will be exporting place on its key resources and how will these demands be met?
 - D Are the expected benefits worth the costs, or would company resources be better used for developing new domestic business?
18. A multinational is a firm that controls and manages production facilities in
- A at least two countries.
 - B both developed and developing countries.
 - C at least two developed countries and one developing country.
 - D one country but relies on multiple markets for the consumption of goods it produces.
19. Alfa Tech, a construction and engineering firm, has a contract with the Malaysia government to expand the airport in Penang. Alfa Tech will design, construct, and equip the airport before turning the facility over to the Malaysia government upon completion. Which entry mode for international business is used by Alfa Tech?
- A Franchising.
 - B Turnkey project.
 - C Contract manufacturing.
 - D Foreign direct investment.

20. If a Japan manufacturer of household appliances wants to take advantage of the cheaper labour available in the Indonesia, which of the following actions will not serve that purpose?
- A Contract for an Indonesia firm to do some of the processing for it.
 - B License an Indonesia firm to produce its products under its own label.
 - C Build a manufacturing subsidiary there and employ Indonesia workers.
 - D Build a plant in the Indonesia and send all Japan workers to operate it.
21. Which of the following would be an example of foreign direct investment from the Japan to Taiwan?
- A Japan bank buys bonds issued by a Taiwan computer manufacturer.
 - B Japan car manufacturer enters into a contract with a Taiwan firm to make and sell it spark plugs.
 - C Microsoft hires a Taiwanese computer programmer to debug some software for it.
 - D The state of Hokkaido rents space in Taipei for one of its employees to use promoting tourism in Hokkaido.
22. Which is **NOT** a characteristic 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.
23. Which of the following represents a company's effort to identify and categorize groups of customers and countries according to common characteristics?
- A Global targeting.
 - B Global positioning.
 - C Global marketing research.
 - D Global market segmentation.

- 24.** Marketing managers at Livano Furniture strive to develop products, pricing strategies, promotional strategies, and distribution tactics that set the firm's products apart from those of competitors in the eyes of customers. Livano Furniture has cultivated an image of perceived quality and fashion that allows the firm to charge prices higher than most furniture businesses. What is the overall business strategy of Livano Furniture?
- A** Focus.
 - B** Differentiation.
 - C** Cost leadership.
 - D** Related diversification.
- 25.** Mutiara Jati Home Decor is based in Kota Tinggi, Johor but has plans to target the housewares market in Singapore. Mutiara Jati executives believe that the firm's successful Malaysia marketing strategy will work equally well in the Singapore market. Mutiara Jati most likely has a(n) _____ approach to international marketing.
- A** polycentric
 - B** geocentric
 - C** ethnocentric
 - D** multidomestic
- 26.** What is the major problem with the theorizing of strategic International Human Resource Management?
- A** It fails to incorporate conflict.
 - B** It is biased towards western ideas.
 - C** It becomes obsolete very quickly as change occurs so fast.
 - D** It tends to offer a highly idealised perspective on strategy formulation.

27. Khalisah has been transferred to an office in Korea for a year. In her first few weeks, she starts to feel confused and rejected, as well as sort of yearning for home. Khalisah is experiencing
- A repatriation.
 - B acculturation.
 - C culture shock.
 - D expatriate failure.
28. 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(n) _____ business orientation.
- A polycentric
 - B geocentric
 - C ethnocentric
 - D regionocentric
29. Noah is the director of HR for a global software development company. He is advising the director of sales about which of the sales managers to send to lead the sales department in China. Which of the following are key traits Noah should consider in advising on the best candidate for he expatriate assignment?
- A Agreeableness.
 - B Cultural sensitivity only.
 - C Interpersonal skills and cultural sensitivity.
 - D Interpersonal skills, cultural sensitivity, and flexibility.

30. Which of the following apply describes the role of line managers and staff advisors, namely HR professionals?
- A** Staff advisors focus more on developing HR programmes while line managers are more involved in the implementation of those programmes.
 - B** Line managers are concerned more about developing HR programmes whereas staff advisors are more involved in implementing such programmes.
 - C** Staff advisors are solely responsible for developing, implementing and evaluating the HR programmes while line managers are not all involved in any matters concerning HR.
 - D** Line managers alone are responsible for developing, implementing and evaluating the HR programmes while staff advisors are not all involved in any matters concerning HR.

[60 MARKS]

PART B

This part consist of **TWO (2)** questions.

Answer ALL questions in Answer Sheet.

QUESTION 1

- a. Explain **FOUR (4)** reasons why direct exporting is most popular choose by Multinational Company (MNC) to entry the international business.
(8 marks)
- b. Predict how firms could gain benefits if they decide to use a joint venture and wholly owned subsidiary as their mode of entry to international business.
(12 marks)

QUESTION 2

- a. Classify the **THREE (3)** different types of staffing philosophies can be used to hire managers for a firm's international operation.
(10 marks)
- b. A new expatriate may experience a sense of loss regarding their old cultural environment. Differentiate between disillusionment and adaption phases in the stages of acculturation.
(10 marks)

[40 MARKS]

END OF QUESTION PAPER