



**KOLEJ YAYASAN PELAJARAN JOHOR
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. Trading internationally implies complex and costly transactions due to which of the following reasons?
 - A Trade restrictions.
 - B Differences in currencies used.
 - C Differences in laws and regulations.
 - D All the above.

2. All of the following are benefits of international business **EXCEPT**?
 - A Decreased competition.
 - B Improved political relationship.
 - C Expanded business opportunities.
 - D Increased sources of raw materials.

3. Business entities engaged in international business activities are commonly known as which of the following?
 - A Small medium enterprise.
 - B State-trading corporation.
 - C Multi-national corporation.
 - D Non-governmental organization.

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. 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. Base on the given situation, 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 capital intensive products.
 - C India will import capital intensive products.
 - D None of the above.
7. What are some reasons why a country impose restriction on imported goods and services?
- A To ensure lower cost of living born by the nation.
 - B To ensure smoother flow of goods internationally traded.
 - C To protect national industry and to achieve trade surplus.
 - D To ensure higher standard of living enjoyed by the nation.

8. Which of the following information is **NOT** derived from balance of payments of a nation?
- A Gifts to and from foreign countries.
 - B Foreign earnings on domestic assets.
 - C What is earned from the imposed tariff.
 - D Residents' earnings on assets located abroad.
9. There are some reasons why there are statistical discrepancy in the balance of payment which call forth errors and omission account. Identify reason (s) why errors and omission occurs.
- A Smuggling activities.
 - B Secret bank accounts.
 - C People living in more than one country.
 - D All the above.
10. Which of the following transaction represent debit entry in balance of payment of a nation?
- A Capital Inflow.
 - B Import of goods.
 - C Gifts received from abroad.
 - D Foreigners using local services.
11. Nationalization, expropriation and confiscation are associated to which of the following risk?
- A Market risk.
 - B Political risk.
 - C Cultural risk.
 - D Currency risk.

12. Allowing Multi-National Corporation (MNC's) to engage in foreign direct investment in Malaysia may lead to which of the following?
- A More local jobs will be created.
 - B Local companies may face severe competition.
 - C Malaysian economy might become too dependent on MNC's.
 - D All the above.
13. _____ 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 Litigation
 - B Mediation
 - C Arbitration
 - D Negotiation
14. Well-defined social networks and extended families is associated with which of Hofstede's Five Dimensions?
- A Time Orientation.
 - B Power Orientation.
 - C Social Orientation.
 - D Uncertainty Orientation.
15. 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.

16. In April 2015, Toyota announced its first project in Mexico in three years, costing US\$1.5 billion for the new manufacturing plant in Guanajuato. The factory is scheduled to open in December 2019 with an eventual goal of hiring 3,000 employees and the capacity to produce 300,000 pickup trucks per year. This explains which of the following strategies?
- A Greenfield.
 - B Brownfield.
 - C Joint Venture.
 - D None of the above.
17. Which of the following are **NOT** advantages of exporting?
- A Increased revenue.
 - B Not subject to trade restrictions.
 - C Penetrating foreign market on gradual basis.
 - D May involve little or no capital investment hence cheaper than other modes of entry.
18. Why Foreign Direct Investment (FDI) may be perceived as an undesirable mode of entry?
- A Greater management complexity.
 - B Higher exposure to political risks.
 - C High financial and managerial investment.
 - D All the above.
19. The spectacular Petronas Twin Towers complex in Kuala Lumpur is a good example of _____ built by Bovis Lend Lease. The contractor will design, construct, and equip the complex before turning the facility over to the Malaysia government upon completion.
- A Franchising.
 - B Turnkey Project.
 - C Contract manufacturing.

D Foreign Direct Investment.

20. Top Glove Corporation Berhad is a Malaysian rubber glove manufacturer that owns and operate 50 manufacturing facilities in Malaysia, Thailand, China and Vietnam. Which of the following factors should be considered before Top Glove considering 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.

21. Some of the factors to be considered while deciding mode of entry including which of the following?

A Global strategy.

B Resource availability.

C The need for control.

D All the above.

22. A firm use which of the following approach if it is described as a relatively expensive approach since international marketer attempt to customize the firm's marketing mix to meet the needs of customers in each market?

A Geocentric.

B Polycentric.

C Ethnocentric.

D Multidomestic.

23. The concept in which marketers try to create distinct image or identity in the minds of of their target customers refers to which of the following?

A Market targeting.

B Market positioning.

- C Market repositioning.
- D Market segmentation.

24. Sprite become the best-selling clear soft drink in Japan after being reformulated to more purer lemon flavour. This action is an example of which of the following?

- A Focus business strategy.
- B Customized product policy.
- C Standardized product policy.
- D Differentiation business strategy.

25. A company adopt marketing strategy by providing customers with unique and distinct from items their competitors may offer in the market place. The main objective of implementing this strategy is to increase competitive advantage. All these best explain which of the following international marketing strategy?

- A Focus.
- B Differentiation.
- C Cost leadership.
- D Customization policy.

26. The company is seeking for mid-level and lower level jobs. It is essential for the company to hire one who are familiar with local economic conditions, culture and laws beside the company can save on relocation costs.

Based on the given situation which staffing philosophy suits the needs of the company?

- A Parent-Country Nationals (PCNs).
- B Host-Country Nationals (HCNs).
- C Third-Country Nationals (PCNs).
- D None of the above.

27. The scope of international human resource management includes which of the following?
- A Compensation.
 - B Staff recruitment.
 - C Staff development.
 - D All the above.
28. The following are valid reasons for adopting ethnocentric international staffing strategy **EXCEPT?**
- A Maintaining tight control.
 - B Maintaining a unified corporate culture.
 - C Maintaining a diverse corporate culture.
 - D Lack of qualified managers in the host country.
29. 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.

30. Managers who are sent abroad on foreign assignments may experience culture shock which consequently may reduce one's effectiveness and productivity? Identify the correct explanation on each of the following phase.

- A** Adaptation – the new culture seems exotic and stimulating.
- B** Biculturalism – employee gains competence and adjust to everyday living.
- C** Disillusionments – differences between new and old environments become magnified.
- D** Honey moon – anxiety has ended, employee gains confidence to function productively in new culture.

[60 MARKS]

PART B

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

Answer ALL questions in Answer Sheet.

QUESTION 1

- a. Explain what is international franchising and explain any **three (3)** reasons why Multinational Company (MNC) incline to choose this mode of entry to penetrate foreign market.

(8 marks)

- b. Discuss **four (4)** important factors that has to be taken into consideration when a Multi-National Corporation (MNC's) decides to export its goods or services abroad.

(12 marks)

QUESTION 2

- a. We commonly see in many cases where the total compensation packages offered to expatriate managers are more lucrative compared to the one offered to his local counterparts. Provide **four (4)** reasons to support the statement.

(10 marks)

- b. Selecting competent managers to perform overseas assignment are critical as it would help Multi-National Corporation (MNC's) to minimize the rate of expatriate failures. Suggest **four (4)** means on how this could be achieved.

(10 marks)

[40 MARKS]

END OF QUESTION PAPER