



MACHAKOS UNIVERSITY
SCHOOL OF BUSINESS & ECONOMICS
UNDERGRADUATE PROGRAMMES
UNIVERSITY SUPPLEMENTARY EXAMINATIONS 2019/2020
EAE 203: MANAGEMENT IN CONTEMPORARY GLOBAL ECONOMY

DATE **TIME 2 HOURS**

INSTRUCTIONS

Attempt question ONE and any other TWO questions

QUESTION ONE (30 MARKS)

- (a) Discuss in details the three factors that a global business manager should consider when evaluating a foreign site for marketing and/or production (10mks)
- (b) Explain the five forms of global participation for a global business (10mks)
- (c) With examples, show how the profitability of a domestic firm can be enhanced by adopting global business strategy (10mks)

QUESTION TWO (20 MARKS)

- (a) The overall attraction of a foreign site can be affected by various factors. Discuss how
- i. Legal framework

- ii. Size and growth of economy
- iii. Risk and
- iv. National differences

Can affect the attraction of foreign site (14 mks)

(b) Explain the three developments that have taken place in the global economy. (6mks)

QUESTION THREE (20 MARKS)

(a) Discuss with practice examples how technological advancements have impacted on the globalization of business. (10 mks)

(b) Explain how cultural practices have helped to shape global business (10 mks)

QUESTION FOUR (20 MARKS)

(a) If you were in charge of a large multinational firm, under what conditions would you build or operate a manufacturing facility in an underdeveloped country? Explain in details

(10 mks)

(b) Discuss in detail the legal and political foundation of Global Business management

(10mks)

(c) Explain how expanding globally allows firms to increase its profitability (10 mks)

QUESTION FIVE (20 MARKS)

(a) Discuss the process of target costing showing clearly its usefulness in global business

(10mks)

(b) Explain how political economy of international trade can affect the location of a global

business

(10 mks)