MACHAKOS UNIVERSITY

University Examinations for 2018/2019 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS ADMINISTRATION

FOURTH YEAR SUPPLEMENTARY EXAMINATION FOR
FOR BACHELOR OF COMMERCE

BBA402: INTERNATIONAL BUSINESS MANAGEMENT AND OPERATION

DATE: 26/7/2019 **TIME: 8:30 – 10:30 AM**

INSTRUCTIONS

- This paper consists of two sections
- Section A is compulsory (30 marks)
- Answer any two questions from section B (Each 20 marks)

SECTION A

QUESTION ONE (30 MARKS)

b) What is a mixed matrix structure of an international business? Give two advantages and two disadvantages of this kind of a structure (5 marks)

c) Explain four reasons why, from a public policy perspective technology transfer is important. (8 marks)

d) Briefly describe five forms of ecommerce. (10 marks)

e) Write short notes on the following terms:
   i) Countertrading
   ii) Buybacks
   iii) Compensation trade (6 marks)

f) Describe the characteristics of a Multinational corporation (1 mark)

QUESTION TWO (20 MARKS)

a) Explain five reasons why most international businesses are embracing e-commerce (10 marks)

b) Explain the role of World Trade organization in the international market. (10 marks)

QUESTION THREE (20 MARKS)

a) Explain the nature of international business. (10 marks)

b) Besides demands to renegotiate their international debt and reduce interest payments, explain five other demands of developing countries in the New International Economic order. (10 marks)

QUESTION FOUR (20 MARKS)

a) Explain five environmental variables that a firm should consider while choosing an entry mode into the foreign market (10 marks)

b) Write short notes on the following terms
   i) Mergers
   ii) Strategic Alliances
   iii) Consolidation
   iv) Franchising
   v) Licensing (10 marks)

QUESTION FIVE (20 MARKS)

a) International business is beneficial to both the firm and to the nation. Explain the importance of international business to the nation. (8 marks)

b) Giving clear examples, explain six components in a firm's micro environment showing how they directly affect the firm's decisions (12 marks)