



MACHAKOS UNIVERSITY

University Examinations for 2022/2023 Academic Year

SCHOOL OF BUSINESS, ECONOMICS AND HOSPITALITY AND TOURISM

MANAGEMENT

DEPARTMENT OF ECONOMICS

SECOND YEAR..... SEMESTER EXAMINATION FOR

BACHELOR OF ECONOMICS

EAE 203: MANAGEMENT IN THE GLOBAL ECONOMY

DATE:

TIME:

INSTRUCTIONS:

- (i) This examination consists of Five questions.**
- (ii) Answer question one (Compulsory) and any other two questions.**
- (iii) Abide by all rules and regulations concerning this exam carefully.**
- (iv) Follow the guidelines on submission of exam script to the letter.**
- (v) Violating any of the rules is an exam irregularity and may lead to discontinuation from the University.**

QUESTION ONE (COMPULSORY) (30 MARKS)

- a) Discuss the critical factors that group that global managers must consider when making decisions about locations for expansion in the global economy . (10 marks)
- b) While using relevant examples analyse globalization created opportunities and threats to global business. (10 marks)
- c) Explain the forces within the general business environment that managers must constantly analyze. (10 marks)

QUESTION TWO. (20 Marks)

- a) Discuss in details three factors that global managers should consider when evaluating the foreign site for marketing end or production. (9 marks)
- b) Define global business strategy evaluate on its importance. (6 marks)
- c) Explain the five mode of entry into the global economy. (5 marks)

QUESTION THREE. (20 MARKS)

- a) Elaborate on how cultural distance has helped to increase globalization of firms. (10 marks)
- b) Analyse how revenue profitability and capacity utilization can be assessed for an international business organization. (10 marks)

QUESTION FOUR. (20 MARKS)

- a) The overall attraction of a foreign site can be affected by various factors discuss how the following can affect the attraction of a foreign site for production.
 - (i) Legal framework, (3 marks)
 - (ii) Size and growth of economy, (3 marks)
 - (iii) Risk, (3 marks)
 - (iv) National difference. (3 marks)
- b) Discuss your expectations on the future role of the Internet in globalization of the world economy (8 marks)

QUESTION FIVE. (20 MARKS)

- a) Explain how an efficient logistics function can help an international business compete more effectively in the global market place.. (8 marks)
- b) Evaluate three developments that have taken place in global economy. (6 marks)
- c) Analyse how globalization has brought about development of global economy. (6 marks)