



NATIONAL OPEN UNIVERSITY OF NIGERIA
91, CADASTRAL ZONE, NNAMDI AZIKIWE EXPRESS WAY, JABI-ABUJA
FACULTY OF MANAGEMENT SCIENCES
2019_1 EXAMINATION

COURSE CODE:	BUS419	CREDIT UNIT:	3
COURSE TITLE:	INTERNATIONAL BUSINESS		
TIME ALLOWED:	2 ½ HOURS		
INSTRUCTIONS:	1. Attempt Question 1 and any other three (3) questions		
	2. Question 1 is compulsory and carries 25 marks while the other 3 questions carry 15 marks each		
	3. Present all your points in coherent and orderly manner		

1a. International trade is the exchange of goods and services across international borders and it becomes imperative to engage in international business. Critically explain the rationale for international trade. **8 marks**

1b. Explain the following concepts of international trading:

- i. Production Possibility Curve **3 marks**
- ii. Principles of Absolute Advantage **3 marks**
- iii. Factor Endowment Theory **2 marks**

1c. Write notes on the following:

- i. Demographic Environment **3 marks**
- ii. Political-Legal Environment **3 marks**
- iii. Socio-Cultural Environment **3 marks**

2a. The emergence of capitalist economies and their generation of investible surplus capital investment and mobility are the veritable ways of bridging the short fall in domestic savings. Critically examine this statement in respect to the forms and reasons for the foreign direct investment (FDI) to the country's trade. **8 marks**

2b. Explain the theories underlying the motives behind the drive for foreign direct investment. **7 marks**

- 3a. International marketing is a major vehicle of introducing the product to the international business environment. Explain the five major challenges being confronted in the process of engaging in international marketing. **8 marks**
- 3b. Target market is quite essential in the process of engaging in international marketing. Explain the four processes of screening countries that will serve as target market. **7 marks**
- 4a. Identify and explain the two main forms of channel of distribution available to the organization when selling abroad. **7marks**
- 4b. Illustrate with appropriate diagrams various channel of distribution options available to an organization when engaging in international business. **8 marks**
- 5a. It has been acknowledged in international business that extracting vital information relating to international market is quite necessary. Explain the various sources of export counseling available to the organization. **8 marks**
- 5b. Explain the various means of making payment offered by the exporters in international business transactions. **7 marks**
- 6a. Write short notes on the following financial forces on international business:
- i. Fluctuating Currency Value **2 marks**
 - ii. Foreign Exchange Quotations **2 marks**
 - iii. Currency Exchange Controls **2 marks**
- 6b. Explain the argument for and against the entry of Multinational Companies into the country. **9 marks**