



MACHAKOS UNIVERSITY

University Examinations for 2018/2019 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF ECONOMICS

SECOND YEAR SPECIAL/ SUPPLEMENTARY EXAMINATIONS FOR
BACHELOR OF ECONOMICS.

EAE 203: MANAGEMENT IN CONTEMPORARY GLOBAL ECONOMY

DATE: 29/7/2019

TIME: 2:00 – 4:00 PM

INSTRUCTIONS: Attempt question ONE and any other TWO questions

QUESTION ONE

- (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

- a) The overall attraction of a foreign site can be affected by various factors. Discuss how
- Legal framework
 - Size and growth of economy
 - Risk and
 - 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

- (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

- (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

- (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)