



MACHAKOS UNIVERSITY

University Examinations for 2021/2022 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF ECONOMICS

SECOND YEAR FIRST SEMESTER EXAMINATION FOR

BACHELOR OF ECONOMICS

EAE 203: MANAGEMENT IN THE GLOBAL ECONOMY

DATE: 15/12/2021

TIME: 2.00-4.00 PM

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) Evaluate how revenue profitability and capacity utilization can be assessed for an international business organization . (10 marks)
- b) While using relevant examples analyse the role of technology in the operation of a multinational organization. (10 marks)
- c) Explain the forces within the general business environment that managers must constantly analyze. (10 marks)

QUESTION TWO (20 MARKS)

- a) Describe three factors that can be used in evaluating different market segments in a global economy. (6 marks)
- b) Define global business strategy elaborate on its importance. (6 marks)
- c) Differentiate between strategic planning conducted in a domestic company and that conducted in an international company (8 marks)

QUESTION THREE (20 MARKS)

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

QUESTION FOUR (20 MARKS)

- a) Analyze how the manager of a global company can use the comparative advantage theory in decision-making when looking for a site to locate a plant. (10 marks)
- b) Discuss your expectations on the future role of the Internet in globalization of the world economy (10 marks)

QUESTION FIVE (20 MARKS)

- a) Identify five steps involved in strategic cost management. (5 marks)
- b) Explain 5 forms of global participation for global business. (5 marks)
- c) Elaborate on how cultural practices have helped shape global business. (5 marks)
- d) Explain the five modes of entry into the global economy. (5 marks)