



FINAL EXAMINATION

COURSE : INTERNATIONAL BUSINESS

COURSE CODE : PBS3233

DURATION : 02 HOURS

INSTRUCTIONS TO CANDIDATES:

1. This question paper consists of THREE (3) parts :
 - : PART A (16 questions)
 - : PART B (18 questions)
 - : PART C (03 questions)
2. Answer ALL questions from PART A, PART B and PART C.
 - i. Answer PART A in True/False Answer Sheet.
 - ii. Answer PART B in the Objective Answer sheet.
 - iii. Answer PART C in the Answer Booklet provided.
3. Please check to make sure that this examination pack consists of:
 - i. The Question Paper
 - ii. An Answer Booklet
 - iii. A True/False Answer Sheet
 - iv. An Objective Answer Sheet
4. Do not bring any material into the examination hall unless permission is given by the invigilator.
5. Please write your answer using a ball-point pen.

MYKAD NO : _____

ID. NO. : _____

LECTURER : _____

SECTION : _____

DO NOT OPEN THIS QUESTION PAPER UNTIL YOU ARE TOLD TO DO SO

The question paper consists of 09 printed pages

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PART A: TRUE/FALSE

Indicate whether the statement is true or false.

1. **(1 point)**
Expatriate managers are citizens of one country who are working abroad.
2. **(1 point)**
Selecting employees with the right skills is unrelated to a firm's staffing policy.
3. **(1 point)**
There are four main approaches to staffing policy within international businesses such as ethnocentric, polycentric, geocentric and neocentric.
4. **(1 point)**
Self-orientation is one of the dimensions that predicts expatriate success.
5. **(1 point)**
Management development focuses only on short-term training for immediate tasks.
6. **(1 point)**
Cultural training helps foster an appreciation for the host country's culture.
7. **(1 point)**
One component of management development programs is ongoing management education.
8. **(1 point)**
Involving a former expatriate who served at the same location can help reduce bias in performance appraisal.
9. **(1 point)**
Expatriate pay is not considered a key issue in compensation.
10. **(1 point)**
Large scale entry allows a firm to learn about a foreign market while limiting the firm's exposure to that market.
11. **(1 point)**
Demography segmentation involves dividing the market based on variables such as age, education level, income, race and sex.
12. **(1 point)**
Culture, economic growth, and political standards are the primary factors that influence marketing strategy when it comes to product attributes.
13. **(1 point)**
In a concentrated retail system, a small number of large retailers control a significant share of the market.

14. (1 point)

One of the most important components in marketing mix is communication with prospective consumers about the attributes of the product.

15. (1 point)

Promoting a similar brand or product in the same way globally is recognized as a standardized advertising approach.

16. (1 point)

Price discrimination is the practice of businesses charging customers in various nations at different price for the same product.

PART B: MULTIPLE CHOICE

Choose the BEST answer.

1. **(1 point)**
Which of the following **BEST** describes Human Resource Management (HRM)?

A. To ensure the effective utilization of human resources
B. To manage an organization's financial assets
C. To develop technological advancements
D. To oversee marketing strategies

2. **(1 point)**
How Human Resource Management can help the firm reduce the cost of value creation?

A. By better serving customer needs
B. By focusing only on short-term goals
C. By ignoring customer needs
D. By increasing the complexity of business processes

3. **(1 point)**
Corporate culture primarily concerned with _____.

A. the financial performance of the firm
B. the geographical expansion of the company
C. the number of products sold by the company
D. the norms and value system of the organization

4. **(1 point)**
Which statement **BEST** describes the ethnocentric approach?

A. It employs third-country nationals for key positions.
B. It focuses on filling all positions with host-country nationals.
C. It hires parent-country nationals for key management roles.
D. It uses a mix of host-country and parent-country nationals for management positions.

5. **(1 point)**
In polycentric approach, who is typically recruited for positions at the headquarters?

A. Host country nationals
B. Third-country nationals
C. Parent country nationals
D. Expatriates from various countries

6. **(1 point)**
Which of the following is the most common reason for expatriate failure among European and U.S. expatriates?
- A. Lack of technical skills
 - B. Inability of spouse to adjust
 - C. Personal or emotional problems
 - D. Inadequate language proficiency
7. **(1 point)**
How does perceptual ability contribute to an expatriate's success?
- A. It ensures the expatriate is always punctual.
 - B. It helps the expatriate in managing large teams.
 - C. It allows the expatriate to be proficient in multiple languages.
 - D. It enables the expatriate to understand why people of other countries behave the way they do.
8. **(1 point)**
Which factor is **NOT** mentioned as contributing to acquiring a global mindset early in life?
- A. A bicultural family
 - B. Attending local schools
 - C. Living in foreign countries
 - D. Learning foreign languages as regular part of family life
9. **(1 point)**
Why is it important to develop expatriate managers for reentry into their home country organization?
- A. It prepares them to re-integrate into work life within their home country organization.
 - B. It helps them understand the local culture better.
 - C. It allows them to choose their next assignment.
 - D. It ensures they get a promotion upon return.
10. **(1 point)**
What is the primary bias of home country managers when evaluating expatriates?
- A. They ignore all data
 - B. They rely heavily on hard data
 - C. They consider only local feedback
 - D. They focus on the expatriate's personality

11. (1 point)

Which type of expatriate pay is specifically intended to cover differences in taxation between home and host countries?

- A. Benefits
- B. Base salary
- C. Tax differentials
- D. Foreign service premium

12. (1 point)

Which of the following is disadvantage of strategic alliance?

- A. It facilitates entry into a foreign market
- B. It allows firms to share the fixed costs and risks
- C. Give away more than it receives from its alliances
- D. It brings together complementary skills and assets

13. (1 point)

All of the following refers to a common basis for market segmentation **EXCEPT** ;

- A. Demography
- B. Socio-cultural factors
- C. Arbitrary
- D. Geography

14. (1 point)

Which of the following **BEST** describes product attributes influence marketing strategy?

- A. The features that characterize a product that match with consumer needs.
- B. Product attributes are irrelevant to marketing strategy and are only considered during the production process.
- C. Product attributes are only considered after the marketing strategy has been developed.
- D. Marketing strategies focus solely on price and distribution, with no consideration of product attributes.

15. (1 point)

_____ occurs when there are numerous retailers but none of them has a major share of the market.

- A. Channel exclusivity
- B. Concentrated retail system
- C. Channel quality
- D. Fragmented retail system

16. (1 point)

How cultural barrier can jeopardize communication in international business?

- A. Misunderstanding aligning marketing messages across countries.
- B. Misinterpretation of gestures, facial expressions, and body language.
- C. Misunderstanding interpretation of comment and agreement.
- D. Misinterpretation of the basis of status or image by the sender.

17. (1 point)

A primary goal of predatory pricing is to drive _____ out of the market by temporarily absorbing losses.

- A. consumer
- B. retailer
- C. supplier
- D. competitor

18. (1 point)

When a company set price low worldwide in an attempt to build global sales volume as rapidly as possible is using _____ pricing.

- A. predatory
- B. multipoint
- C. experience curve
- D. expensive

PART C: STRUCTURED

Answer **ALL** questions.

1. (10 points)

TechWave Incorporation, a U.S.-based software company, expanded into Europe and Asia to increase its market reach. By establishing production in countries with lower labor costs, TechWave realized significant cost savings. The company also transferred innovative practices developed in its Asian operations to enhance efficiency in Europe, leading to increased profitability across its global operations.

- a. Interpret specific action did TechWave Incorporation take to achieve cost savings through international expansion? (2 points)
- b. Discover any **FOUR (4)** benefits that TechWave Incorporation can achieved by expanding into new global markets. (8 points)

2. (8 points)

A small-medium enterprise called Duricious Sdn. Bhd. aims to deliver high-quality and premium durian products. They have successfully launched more products like durian glutinous rice balls, mochi, and snowy moon cakes in Malaysia. They also decided to expand the market by selling frozen durian in China. Instead of opening stores there, they choose to start by sending their product to Chinese grocery stores by plane. This way, they can achieve experience curve and location economies without the need for a large investment in setting up operations in China.

Based on the above case:

- a. Interpret the entry strategy pursued by Duricious Sdn. Bhd. (2 points)
- b. Justify your answer in question (a). (2 points)
- c. Propose any **TWO (2)** advantages of the Duricious Sdn. Bhd. entry strategy. (4 points)

3. (8 points)

Coca-Cola, one of the world's largest beverage companies, planned to launch a new soft drink in two major markets: The United States and India. Coca-Cola needed to adjust its product and marketing strategy to match the tastes, cultures, and economic conditions of each country.

Product Customization

United States: Americans generally prefer sweeter drinks.

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India: Coca-Cola adjusted the formula to be less sweet and added a hint of local spices to appeal to Indian consumers.

Tradition and preferences

United States: Coca-Cola marketed the new drink as a refreshing and fun beverage, focusing on outdoor activities like barbecues and sports events.

India: In India, Coca-Cola focused on family gatherings and festivals, which are significant in Indian culture, promoting the drink as a perfect complement to traditional meals.

Pricing

United States: The drink was priced as a premium product in the U.S., appealing to consumers who are willing to pay more for quality.

India: Coca-Cola offered the drink at a lower price in India, making it affordable for a broader range of consumers, especially in rural areas.

- a. Interpret how Coca-Cola adjusted the drink's recipe for India.
(2 points)
- b. Based on your answer in (a), discover **THREE (3)** factors of how product attribute influences Coca Cola marketing strategy in United States.
(6 points)

END OF QUESTION PAPER