



UNDERGRADUATE UNIVERSITY EXAMINATIONS

SCHOOL OF MANAGEMENT AND LEADERSHIP

DEGREE OF BACHELOR OF COMMERCE

MGT 412: INTERNATIONAL BUSINESS MANAGEMENT

DATE: 2ND APRIL 2026

DURATION: 2 HOURS

MAXIMUM MARKS: 70

INSTRUCTIONS:

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **SIX (6)** questions.
4. Question **ONE** is compulsory.
5. Answer any other **THREE** questions.
6. Question **ONE** carries **25 MARKS** and the rest carry **15 MARKS** each.
7. **Write all your answers in the Examination answer booklet provided.**

QUESTION ONE

Read the Case Study below carefully and answer the questions that follow:

THE GLOBALIZATION DILEMMA: TO FULLY OPEN UP ALL WORLD BORDERS OR TO IMPOSE RESTRICTIONS?

The new world order is tending towards globalization and freedom on all fronts: sports, business, politics, and social order. The internet has indeed made the world to become the so-called 'global village'. Business can easily be done around the globe via the internet. There has been a lot of cultural diffusion, political and social disintegration from the once totalitarian regimes to more democratisation.

Many efforts have been made to allow free movement of goods and services, as well as factors of production across national borders. Economic blocs have been formed by countries of various regions to facilitate trade without barriers among them. The European Union has even gone a step further than other regional economic blocs, to have a common currency, the Euro.

Africa has not been left behind. The African Union has been pushing for greater recognition in the world. During the first half of the year 2018, the president of Kenya mobilized the heads of African states to open up their borders to each other and led by example through making a proclamation that 'any citizen of any African state is free to visit Kenya without the requirement to obtain a Kenyan visa'. Some countries like Nigeria expressed reservations on such move in their country, citing the need for further consultations. Tanzania has been for many years, opposed to aspects of the East African Community to allow citizens of any East African state to do business and live in any of the countries.

Various techniques are employed by countries that are opposed to free international trade. Some countries fear domination by the developed countries. Various forms of trade barriers are imposed by countries to deter free international trade. In Kenya from the month of June 2018, a hot debate has been going on concerning imported contraband sugar which is alleged to contain chemicals/ substances that are harmful to human health. Such cheap sugar has contributed to the decline and/ or collapse of the Kenyan sugar industry. The question lingers: "should total free international

trade be allowed?"

Required:

- a) Identify the three types of economic systems from a global perspective.
(3 Marks)
- b) Distinguish between 'tariffs' and 'quotas' as forms of restrictions to international trade
(2 Marks)
- c) Assess five (5) reasons why governments of third world countries impose restrictions on international trade.
(10 Marks)
- d) State and explain five (5) 'non-tariff barriers' involving quantity controls that governments use to directly affect the quantity of imports and exports.
(10 Marks)

QUESTION TWO

- a) Explain five (5) distinguishing features of Multinational Corporation (MNCs).
(5 Marks)
- b) Discuss critically the merits and demerits of Foreign Direct Investment (FDI) in line with a developing country of your choice
(10 Marks)

QUESTION THREE

- a) Business ethics is an issue of global concern. Evaluate the challenges encountered in fighting unethical business behavior globally
(10 Marks)
- b) Discuss the significance of cultural diversity in international business management. Provide examples of how cultural differences can impact negotiations, communication, and collaboration between multinational teams.
(5 Marks)

QUESTION FOUR

- a) Discuss the role of international trade agreements and regulations in shaping global business interactions. **(5 Marks)**
- b) Examine five (5) strategies that international business managers employ to reduce resistance to change among their staff. **(10 Marks)**

QUESTION FIVE

- a) Discuss key considerations in International Human Resource Management involved in managing personnel across different countries and cultures **(5 Marks)**
- b) Explain the various functions of international dimensions of business **(10 Marks)**

QUESTION SIX

- a) Identify and explain three benefits and the three major barriers to international trade **(6 Marks)**
- b) Discuss six reasons why governments of developing countries impose restrictions on international trade. **(9 Marks)**