# UNIVERSITI UTARA MALAYSIA

**PEPERIKSAAN AKHIR SEMESTER / FINAL EXAMINATION**
**SEMESTER KEDUA SESI 2008/2009**
**SECOND SEMESTER SESSION 2008/2009**

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<th>KOD/NAMA KURSUS</th>
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<td>TARIKH/HARI DATE</td>
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<td>MASA/TIME</td>
<td>: 4.00PM – 6.30PM (2 ½ JAM/HOURS)</td>
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**ARAHAN:**
1. Kertas soalan ini mengandungi DUA (2) bahagian. Bahagian A mengandungi LAPAN PULUH (80) soalan objektif dalam EMPAT BELAS (14) muka surat tidak termasuk muka hadapan. Bahagian B mengandungi DUA (2) soalan ese dalam SATU (1) muka surat.
2. Anda dikehendaki menjawab semua soalan.
3. Masa menjawab adalah 2 ½ JAM.

**INSTRUCTION:**
1. This question paper contains TWO (2) sections. Section A has EIGHTY (80) objective questions in FOURTEEN (14) pages excluding front page. Section B has TWO (2) essay questions in ONE (1) page.
2. You are required to answer all questions.
3. Time allotted is 2 ½ hours.

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**NO. MATRIK / MATRIC NO.:**
(dengan perkataan/spell out) (dengan angka/in figures)

**NO. KAD PENGENALAN / IDENTIFICATION NO.:**

**NAMA PENSYARAH / LECTURER’S NAME:**

**KUMPULAN / GROUP:**

**NOMOR MEJA / TABLE NO.:**

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**JANGAN BUKA KERTAS SOALAN INI SEHINGGA DIBERI ARAHAN**

**SULIT**
BAHAGIAN A: Soalan Objektif

SECTION A : Objective Question

1. The market for converting the currency of one country into that of another country is known as the
   A) foreign exchange market
   B) foreign exchange rate
   C) currency market
   D) foreign exchange currency market

2. The rate at which one currency is converted into another is called the ________.
   A) replacement percentage
   B) resale rate
   C) exchange rate
   D) interchange ratio

3. Which of the following statements is true?
   A) The existence of the foreign exchange market has removed all forms of foreign exchange risk for business organizations.
   B) Despite the existence of the foreign exchange market, firms do suffer losses because of unpredicted changes in exchange rates, although these occasions are rare.
   C) The foreign exchange market eliminates very little foreign exchange risk.
   D) Despite the existence of the foreign exchange market, it is not unusual for international businesses to suffer losses because of unpredicted changes in exchange rates.

4. The foreign exchange market serves two main functions. These are:
   A) collect duties on imported products and convert the currency of one country into the currency of another.
   B) insure companies against foreign exchange risk and set interest rates charged to foreign investors.
   C) collect duties on imported products and set interest rates charged to foreign investors.
   D) convert the currency of one country into the currency of another and provide some insurance against foreign exchange risk.

5. Which of the following correctly matches a country with its currency?
   A) South Korea, the pound
   B) France, the deutsche mark
   C) Japan, the yen
   D) Great Britain, the franc
6. Which of the following is **not** one of the four main uses that international 
businesses have for the foreign exchange market?
A) International businesses use foreign exchange markets to convert money they 
earn in foreign currencies to their home currencies
B) International businesses use foreign exchange markets in determining domestic 
wage rates
C) International businesses use foreign exchange markets when they have spare 
cash that they wish to invest for short terms in money markets
D) Currency speculation

7. Three important factors have an impact on future exchange rate movements in a 
country's currency are:
A) the country's price inflation, its interest rate, and its market psychology.
B) the country's rate of GNP, its unemployment rate, and its economic policy.
C) the country's participation in the World Trade Organization, its monetary policy, 
and its market psychology.
D) the country's rate of economic growth, its participation in the World Trade 
Organization, and its economy policy.

8. When traders move as a herd in the same direction at the same time such as 
what occurred when George Soros betted against the British pound in 1992, a(n) 
_____ occurs.
A) efficient market
B) inefficient market
C) bandwagon effect
D) Fisher effect

9. The free trade area known as MERCOSUR consists of the following four 
countries:
A) Chile, Mexico, Columbia, and Paraguay
B) Argentina, Brazil, Paraguay, and Uruguay
C) Chile, Brazil, Uruguay, and Columbia
D) Mexico, Columbia, Paraguay, and Uruguay

10. The movement toward regional economic integration has been most successful 
in
A) Latin America
B) North America
C) Europe
D) Asia
11. Argentina, Brazil, Paraguay, and Uruguay established
A) NAFTA
B) MERCOSUR
C) APEC
D) FTAA

12. Thirty-four countries in the Americas are currently negotiating to establish
A) NAFTA
B) MERCOSUR
C) APEC
D) FTAA

13. Which of the following selections accurately depicts the levels of economic integration from least integrated to most integrated?
A) Common market, economic union, full political union, free trade area, and customs union
B) Common market, economic union, full political union, free trade area, and customs union
C) Free trade area, customs union, common market, economic union, and full political union
D) Full political union, free trade area, common market, customs union, and economic union

14. The European Free Trade Association currently includes the following four countries:
A) Ireland, Iceland, Denmark, and Belgium
B) Norway, Iceland, Switzerland, and Liechtenstein
C) Finland, Great Britain, Belgium, and Denmark
D) Sweden, Norway, Austria, and Finland

15. Which of the following is **not** true?
A) trade creation occurs when high cost domestic producers are replaced by low cost producers within the free trade area
B) trade diversion occurs when lower cost external suppliers are replaced by higher cost suppliers within the free trade area
C) a regional free trade agreement will benefit the world only if the amount of trade it creates exceeds the amount it diverts
D) trade creation occurs when lower cost external suppliers are replaced by higher cost external suppliers within the free trade area
16. Which of the following is not true of ASEAN?
A) Cambodia, Laos, Myanmar, and Singapore are all members
B) its basic objective is to foster freer trade between member countries and to achieve cooperation in their industrial policies
C) to date, it has been quite successful in achieving its goals
D) it is pushing for free trade agreements with China, Japan, and South Korea

17. FDI occurs when
A) when a domestic firm licenses to a foreign firm the right to produce its product, to use its production processes, or to use its brand name or trademark
B) when a firm ships its product from one country to another
C) when a firm invests in the stock of another company
D) when a firm invests directly in facilities to produce and/or market a product in a foreign country

18. The two main forms of FDI are
A) Greenfield investments, mergers and acquisitions
B) Greenfield, joint ventures
C) licensing, mergers
D) alliances, acquisitions

19. A Greenfield investment
A) is a form of FDI that involves the establishment of a new operation in a foreign country
B) involves an investment in a foreign business entity
C) involves a merger with a foreign business
D) occurs when a firm acquires another company in a foreign country

20. If an American automaker acquires a French automaker _________ has taken place.
A) horizontal FDI
B) vertical FDI
C) portfolio FDI
D) transnational FDI

21. _________ occurs when a domestic firm licenses to a foreign firm the right to produce its product, to use its production processes, or to use its brand name or trademark.
A) horizontal FDI
B) licensing
C) vertical FDI
D) Greenfield investment
22. Vertical FDI can be  
A) backward and forward.  
B) backward and horizontal.  
C) forward and horizontal.  
D) horizontal and downstream.

23. An investment in an industry abroad that provides inputs for a firm’s domestic production processes is  
A) downstream FDI.  
B) forward vertical FDI.  
C) backward vertical FDI.  
D) forward downstream FDI.

24. FDI has been rising for all of the following reasons except  
A) the globalization of the world economy  
B) the general decline in trade barriers  
C) firms are trying to circumvent trade barriers  
D) there is a shift toward democratic political institutions and free market economies

25. The overall decline in FDI in recent years is a result of all of the following except  
A) the general slowdown in the growth rate of the world economy  
B) the heightened geopolitical uncertainty following the September 11 attacks on the U.S.  
C) the bursting of the stock market bubble in the U.S.  
D) the increase in protectionism after the protests in Seattle

26. ______ is expected to see the largest percent increase in FDI flows in the next decade.  
A) South Korea  
B) India  
C) Mexico  
D) China

27. ______ is more expensive and more risky than ______.  
A) exporting, licensing  
B) licensing, FDI  
C) exporting, FDI  
D) FDI, licensing

28. Which of the following is most expensive and most risky?  
A) FDI  
B) exporting  
C) licensing  
D) joint venture
29. A strategy that focuses on increasing the attractiveness of a product is referred to as a(n)
   A) differentiation strategy
   B) low cost strategy
   C) effectiveness strategy
   D) efficiency strategy

30. A strategy that focuses primarily on lowering production costs is a
   A) low cost strategy
   B) production strategy
   C) differentiation strategy
   D) focus strategy

31. In the context of value chain analysis, the primary activities of a firm include:
   A) R&D, human resources, materials management, and production
   B) service, human resources, production, and materials management
   C) company infrastructure, information systems, human resources, and materials management
   D) R&D, production, marketing & sales, and service

32. All of the following are support activities in the value chain except
   A) information systems
   B) customer service
   C) human resources
   D) logistics

33. The _____ activities of a firm have to do with creating the product, marketing and delivering the product to buyers, and providing support and after-sales service to the buyers of the product.
   A) support
   B) subordinate
   C) ancillary
   D) primary

34. Information system is a _________ activity in the value chain.
   A) central
   B) primary
   C) support
   D) profit
35. The marketing and sales functions of a firm can help to create value through all of the following ways except:
A) hiring the right people
B) brand positioning
C) advertising
D) communicating consumer needs to R&D

36. The support activities of a firm include:
A) human resources, management information systems, materials management, and accounting
B) accounting, infrastructure, R&D, and materials management
C) manufacturing, marketing and service, R&D, and management information systems
D) human resources, materials management, infrastructure, and information systems

37. The ______ function creates value by ensuring the company has the right mix of people to perform activities effectively.
A) information systems
B) company infrastructure
C) human resources
D) logistics

38. When a firm needs to minimize its unit costs, the firm is facing
A) pressure for cost reduction
B) pressure to be locally responsive
C) pressure for location economies
D) pressure for experience effects

39. Responding to ___________ requires that a firm differentiate its product offering and marketing strategy from country to country in an effort to respond to differences in consumers tastes and preferences, business practices, distribution channels, competitive conditions, and government policies.
A) pressure for cost reductions
B) pressure for experience effects
C) pressure for location economies
D) pressure to be locally responsive

40. Two important objectives shared by both manufacturing and materials management are to simultaneously:
A) increase quality and increase revenues.
B) increase product awareness and lower costs.
C) lower costs and increase quality.
D) increase revenues and decrease customer complaints.
41. The TQM philosophy was developed by all of the following people except
A) Dunning
B) Juran
C) Deming
D) Feigenbaum

42. The modern successor to TQM is
A) Corporate Quality Commitment (CQC)
B) ISO 9000
C) Quality Process Realized (QPR)
D) Six Sigma

43. The key decision factors that pertain to where an international firm locates its manufacturing facilities can be grouped under three broad headings. These are:
A) political factors, economic factors, and legal factors.
B) country factors, technological factors, and product factors.
C) product factors, service factors, and labor factors.
D) language factors, cultural factors, and transportation factors.

44. A country becomes a less attractive location for low cost production when its currency suddenly
A) appreciates
B) depreciates
C) rises
D) reflects market conditions

45. If a country has a cluster of semiconductor plants, the pool of labor with experience in the semiconductor business would be an example of
A) country factors
B) technology factors
C) product factors
D) company factors

46. Currency appreciation can transform a country from a _______ to a(n) _______.
A) high cost manufacturing location, low cost manufacturing location
B) low cost manufacturing location, high cost manufacturing location
C) unattractive location, attractive location
D) protected environment, unprotected environment
47. Which of the following is not a country factor?
A) differences in political economy
B) differences in factor costs
C) differences in fixed costs
D) differences in culture

48. What are manufacturing technologies designed to reduce setup times, increase use of individual machines through better scheduling, and improve quality control at all stages of manufacturing called?
A) Multifaceted production
B) Lean production
C) Lateral production
D) Temporal production

49. Flexible machine cells provide all of the following benefits except
A) economies of scale
B) improved capacity utilization
C) reductions in work-in-progress
D) reductions in waste

50. _______ is used to coordinate the flow of materials into manufacturing, through manufacturing, and out to customers.
A) EDI
B) CAD
C) CAM
D) JIT

51. Which of the following is not part of the marketing mix?
A) product attributes
B) communication strategy
C) market segmentation
D) distribution strategy

52. Research has long maintained that a major factor of success for new products is the closeness of the relationship between
A) finance and marketing.
B) marketing and R&D.
C) finance and materials management.
D) operations and R&D.
53. The four elements that constitute a firm's marketing mix include:
   A) product attributes, distribution strategy, communication strategy, and pricing strategy.
   B) transportation strategy, warehousing strategy, availability of financing, and pricing strategy.
   C) promotions strategy, pricing strategy, availability of financing, and distribution strategy.
   D) product attributes, promotions strategy, communication strategy and strategy.

54. When markets are divided by sex, age, income, race, or education, they are segmented by
   A) geography
   B) economic factors
   C) psychological factors
   D) demography

55. Automobile companies tend to use _______ segmentation.
   A) socioeconomic
   B) geographic
   C) personality
   D) educational

56. The identification of distinct groups of consumers whose purchasing behavior differs from others in important ways is known as
   A) market segmentation.
   B) consumer grouping
   C) market identification strategy
   D) consumer behavior

57. If market segments transcend national borders.
   A) the company should develop unique products for each national market
   B) the company can view the global market as a single entity and pursue a standardized strategy
   C) a localization strategy would be appropriate
   D) consumers have differing purchasing behavior in different nations

58. Consumers in highly developed countries value _____ as compared to their counterparts in less developed nations.
   A) price
   B) product reliability
   C) product attributes
   D) choices
59. The means of delivering the product to the consumer is known as the
A) delivery strategy
B) marketing mix
C) logistics strategy
D) distribution strategy

60. The U.S. has a _______ retail system.
A) concentrated
B) crowded
C) fragmented
D) dispersed

61. _______ refers to the activities an organization carries out to utilize its human
resources effectively.
A) organizational behavior
B) strategic management
C) human resource management
D) organizational policy

62. A firm that is trying to create value by emphasizing local responsiveness is
probably following a _______ strategy.
A) global standardization
B) localization
C) transnational
D) international

63. The process of selecting employees for particular jobs is referred to as
A) human resource management
B) staffing policy
C) management selection
D) organizational behavior

64. Which of the following is not a type of staffing policy in international business?
A) the transcentric approach
B) the ethnocentric approach
C) the polycentric approach
D) the geocentric approach
65. An ethnocentric staffing policy is
A) one in which all key management positions are filled by parent company
   nationals
B) one in which host-country nationals are recruited to manage subsidiaries while
   parent-company nationals occupy key positions at corporate headquarters
C) one in which the best people, regardless of nationality, are recruited to fill key
   positions throughout the organization
D) one in which corporate bureaucracy overwhelms the system leaving key positions
   to be filled in a haphazard manner

66. A polycentric approach to staffing is
A) one in which all key management positions are filled by parent company
   nationals
B) one in which host-country nationals are recruited to manage subsidiaries while
   parent-company nationals occupy key positions at corporate headquarters
C) one in which the best people, regardless of nationality, are recruited to fill key
   positions throughout the organization
D) one in which corporate bureaucracy overwhelms the system leaving key positions
   to be filled in a haphazard manner

67. The use of a(n) ______ is declining in most countries because of the limited
   opportunities it provides for host country nationals and because it can lead to
   cultural myopia.
A) ethnocentric staffing policy
B) geocentric staffing policy
C) polycentric staffing policy
D) transcentric staffing policy

68. Firms may avoid the polycentric approach to staffing because it
A) produces resentment in host country and can lead to cultural myopia
B) limits career mobility and isolates headquarters from foreign subsidiaries
C) may be difficult to implement as a result of national immigration policies and it is
   expensive to implement
D) is expensive to implement and it can lead to cultural myopia

69. Because of the cost of expatriate managers, a ______ approach can be less
   expensive than a ______ approach to staffing.
A) polycentric, ethnocentric
B) ethnocentric, geocentric
C) ethnocentric, polycentric
D) geocentric, ethnocentric
70. A(n) ______ staffing policy seeks the best people for key jobs throughout the organization.
   A) transcentric
   B) ethnocentric
   C) geocentric
   D) polycentric

71. For firms that are selling a product that serves universal needs, and that do not face significant competition, a ______ strategy makes sense.
   A) localization
   B) transnational
   C) international
   D) global standardization

72. A ______ strategy makes most sense when demands for local responsiveness are high, but cost pressures are moderate or low.
   A) global standardization
   B) international
   C) localization
   D) transnational

73. Companies selling industrial goods on an international basis probably follow the ______ strategy.
   A) international
   B) localization
   C) transnational
   D) global standardization

74. Strategic alliances
   A) may allow firms to capture the benefits of vertical integration without its drawbacks
   B) are generally short-term agreements between competitors
   C) are generally short-term agreements between non-competitors
   D) can enable firms to gain outsourcing benefits without making credible commitments

75. Firms using ______ economize on inventory holding costs by having materials arrive at a manufacturing plant just in time to enter the production process and not before.
   A) logistics
   B) JIT
   C) flexible manufacturing technology
   D) value chain
76. The number of intermediaries between the product (or manufacturer) and the consumer is referred to as
A) channel length.
B) channel distance.
C) channel exclusivity.
D) channel reach.

77. If the producer sells directly to the consumer, the channel is _______. If the producer sells through an import agent, a wholesaler, and a retailer, a(n) _______ channel exists.
A) short, intermediate
B) long, very short
C) intermediate, long
D) short, long

78. An example of a(n)____ occurs when the producer sells directly to the consumer.
A) long channel
B) short channel
C) direct channel
D) indirect channel

79. Which of the following is not a component of the typical expatriate’s compensation package?
A) base salary
B) foreign service discount
C) tax differentials
D) benefits

80. Extra pay the expatriate receives for working outside his or her country of origin is called
A) base salary
B) allowance
C) foreign service premium
D) expat pay bonus
BAHAGIAN B: STRUKTUR PENDEK
SECTION B : SHORT STRUCTURE

1. Apakah LIMA (5) dimensi budaya yang telah dikaji oleh Geert Hofstede? Kenalpasti dan terangkan setiap dimensi tersebut.

*What are the FIVE (5) dimensions of culture studied by Geert Hofstede? Identify and describe each of the dimensions.*

(10 markah/marks)

2. Firma yang memasuki pasaran asing boleh mengadapstasikan pelbagai jenis strategi, bergantung kepada objektif dan matlamat firma tersebut. Jelaskan EMPAT (4) jenis strategi seperti yang di senaraikan:

*Firms which entering the foreign markets can adopt various strategies, depending on the objectives and goals of the firms. Briefly explain the FOUR (4) types of strategies as been listed:*

a) Turnkey projects
b) Licensing
c) Franchising
d) Joint ventures

(10 markah/marks)