



Foundation Certificate in Marketing - Stage 2

INTERNATIONAL BUSINESS

FRIDAY, 5TH MAY 2000. TIME: 9.30 am - 12.30 pm

Please attempt **FIVE** questions.

(If more than the specified number of questions are attempted, delete those you do not wish to have marked. Otherwise the Examiner will mark the **FIRST** five questions in your Answer Book).

All questions carry equal marks.

Do **NOT** repeat question in answer, but show clearly the number of the question attempted on the appropriate page of the Answer Book.

1. In recent times, alliances have taken place in a myriad of sectors, among various partners, for example Time Warner & America on Line (AOL), Glaxo Wellcome & SmithKline Beecham, British Telecom (BT) & Esat etc. (January 2000).
 - (a) What are the benefits partners are likely to gain from such strategic alliances in general? Are there any drawbacks? (12 marks)
 - (b) Why do you think such alliances have grown in popularity in recent years? (8 marks)
2. Discuss the key factors that influence a company's decision to internationalise. Explain how these factors are related to each other.
3. Regional trading blocs such as the EU and NAFTA are growing in importance within world trade. What are the implications of such trading blocs for a firm involved in international business?
4. Identify and discuss the advantages of the Euro for Irish firms operating abroad. Are there any problematic aspects of the Euro currency?
5. Identify and discuss the primary characteristics of culture. How will these issues affect a firm conducting international business?
6.
 - (a) What is political risk? What forms can it take? (10 marks)
 - (b) How can a firm manage its exposure to such risk? (10 marks)

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7. (a) What are the primary advantages and disadvantages of exporting?
(12 marks)
- (b) Why do you think Irish exports have increased so dramatically in recent years?
(8 marks)
8. Present the major arguments in favour of and against trade restrictions in international business.