



EXAMINER'S REPORT

AUGUST 2001

INTERNATIONAL BUSINESS

General Comments

60% of candidates achieved a D or higher. A small number of students sat the August 2001 paper and this must be borne in mind while looking at the comments provided on individual questions below. 18% of scripts were incomplete in that fewer than the required five questions were attempted.

On a general note, when preparing for the International Business exam you should try to ensure that:

- ◆ You have access to the essential texts – the correct editions.
- ◆ You have studied the past papers for the exam and also read the examiners reports in conjunction with the papers.
- ◆ You have covered all the material necessary and you can then find at least five questions out of a possible eight, to answer fully.
- ◆ You keep an eye on the news content and current affairs in general where relevant to the subject as you go through the academic year.
- ◆ You read the questions carefully before answering, only focus on the actual question asked, and make sure to answer all parts of the question asked.
- ◆ You time yourself in the exam, five full answers are needed to reach the higher grades.

Question 1

The answers in general to this question were disappointing given the relevance of the issue to the economy at present and also the amount of press coverage this topic has received in the past and continues to attract at present. Issues to be raised and discussed should have focused on the quality and quantity of labour available, labour mobility and its impact on firms, the compositional changes to the Irish labour force and the firms response to this and issues dealing with the increased cost of labour, problems with retaining employees etc. The relevant material is covered in the essential text and the question requires that you then examine these issues in the context of the Irish market, with which we are all most familiar. The answers were disappointing given the above comments allied to the fact that this issue has been examined previously and similar comments to these made on previous examiners reports.

Question 2

This was well dealt with and well answered in general. The main types of risk were identified as per the text material. Where the question has two parts to it, it is important to address both to maximise marks. Managing political risks referred to the ideas of conducting Country Risk

Assessment (CRA) and also reducing risk by choosing low risk investment and entry modes etc. All the relevant material needed is presented in Chapter 10 of the essential text.

Question 3

- (a) The key competitive forces required in this answer are presented in both Chapters 13 & 14 of the essential text. The only problem with this question was that some students did not read the question and presented all the stages of the screening process as an answer.
- (b) The sources of information available on competitors were generally well dealt with.

Question 4

This question draws on early text material in terms of reasons for firms to internationalise. The key motives listed included increasing sales and profits, geographic diversification, increasing market share, saturated/declining home market, pursuing foreign market opportunities, protecting the domestic market etc. Where there are two parts to the question both must be addressed. Some of the challenges cited included dealing with uncontrollable environmental forces, language barriers, operational difficulties within the firm etc.

Question 5

This was a straightforward and standard question. The material is covered in both Chapters 4 & 10 of the essential text. Marks awarded were generally good.

Question 6

This question always seems to cause problems. There is general confusion as to the key difference between Direct and Indirect exporting. It is vital to understand the distinction between the forms of exporting before trying to answer the rest of the question. This question is a particular problem mark wise, as if for example Direct Exporting is incorrectly described, no marks can be given and then also the marks for the two examples and advantages and disadvantages sought are also invariably lost. Students who clearly understood the difference between the two scored well as after that it is a very straightforward question.

Question 7

In some cases it was evident that students had not addressed this section in preparation for the examination. The main agencies are Enterprise Ireland (<http://www.enterprise-ireland.ie>) An Bord Bia – The Food Board (<http://www.bordbia.ie>) Forbairt (<http://www.forbairt.ie>) and also Forfas (<http://www.forfas.ie>) Some students also discussed the IDA in their answers (<http://www.ida.ie>), however as the IDA's function is to attract investment into the country it is preferable to spend time on the agencies that support firms sending products out of the country via exporting. The need to cover this material is specified on the course syllabus, and information could easily be accessed through the above sites and/or other sources.

Question 8

This was a popular question and well answered. The issues of tariff and non-tariff barriers both quantitative and non-quantitative is dealt with clearly in Chapter 3 of the essential text.