



## Foundation Certificate in Marketing - Stage 2

### INTERNATIONAL BUSINESS

**FRIDAY, MAY 10, 2002. 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. Define political risk. Identify the main types of risk and explain how each affects international business activities. Illustrate your answer with examples.
2.
  - (a) Identify the main sources of secondary international data available to a firm and assess their usefulness.
  - (b) Describe the main difficulties involved in conducting primary international market research.
3. Describe the International Product Life Cycle Theory (IPLC) and assess its usefulness to international managers.
4.
  - (a) Why do firms engage in exporting and what are the advantages and disadvantages of such activity for them? (12 marks)
  - (b) Why do you think Irish export activity has risen in recent years? (8 marks)
5. What is International Business and how does it differ from domestic business? Why do companies pursue International Business activities? Are there any drawbacks involved for such firms?
6. Identify and discuss the key economic and financial forces that should be taken into consideration when assessing a market's business environment. Illustrate your answer with examples.

**P.T.O.**

7.
  - (a) Explain how exchange rates influence the activities of both domestic and international companies. (8 marks)
  - (b) Describe the differences between a fixed exchange rate system and a flexible (floating) exchange rate system. (12 marks)
8.
  - (a) Discuss the importance of the WTO (World Trade Organisation) in promoting free trade.
  - (b) Describe the role and function of the IMF (International Monetary Fund).