



EXAMINER'S REPORT

MAY 2003

INTERNATIONAL BUSINESS

General Comments

The pass rate for this paper was very disappointing at just under 60%. Some of the main contributing factors identified were:

- Over 20% of candidates failed to attempt 5 questions. With the exception of one candidate this resulted in overall failure of the paper.
- In excess of 50% of candidates scored 0 for some answers indicating that absolutely no preparation had been undertaken for those questions.
- Many answers referred to material which had not been asked. Candidates would be advised to read the question carefully and ONLY answer what is asked. It is not worthwhile to include prepared material for the sake of it. (see notes on Q4)

In the majority of cases candidates scored well in one to two questions and extremely poorly (or not at all) in others. This reflects lack of adequate preparation to undertake answering on five areas of the course, and was also the major reason why there were relatively few higher honours results.

This examiner would also stress the importance of keeping up to date with both international and Irish current affairs in this course.

Question 1

Answers varied considerably to this question with some candidates scoring very highly for good description of the elements of political risk and relevant incorporation of current events such as the war in Iraq and the ensuing consequences. However, many candidates appeared to view this as a “soft” question and an opportunity to answer with no preparation and no theoretical foundation – this approach scored poorly.

Question 2

Here again scores varied widely. Those candidates who gave a comprehensive treatment of the relevant factors leading to the growth in world trade scored well. The examiner was particularly looking for mention of the role of the World Trade Organisation, regional trading blocs and other factors such as technology, communications etc. Many candidates answered on the reasons why companies go international, which was not asked.

Question 3

This question was extremely general and gave candidates the scope to incorporate any knowledge on the standardisation/adaptation debate which provides such an intrinsic backdrop to the study of international business. Some candidates scored very well and very easily for basically differentiating between the strategies of global and multi-domestic (or multi-national) companies. Poor answers dealt only with global companies or mistakenly referred to multi domestic companies as single market small players.

Question 4

This question referred specifically to Geert Hofstede's seminal research on culture, carried out on IBM employees worldwide (Chapter 9). The four dimensions are individualism/collectivism, masculinity/femininity, low/high power distance and low/high uncertainty avoidance. Those who correctly identified these in their answer did well in general, especially where the relevance for international companies was referred to. Unfortunately, a high number of answers referred to the components of culture which was not asked.

Question 5

This question draws on the material in "How to Enter Foreign Markets" in Chapter 2 of the main text. In the main this was well answered with candidates differentiating successfully between direct and indirect exporting methods. A proportion of answers unfortunately confused this with market screening which was not asked (see question 6 below).

Question 6

This question did refer to the market screening process and attracted a high number of answers which overall did quite well. With few exceptions candidates were well acquainted with the 6 steps and their relevance for international companies embarking on new markets.

Question 7

This three part question on strategic alliances was straight from the text, and has appeared before. This question was a good opportunity to score easy marks for brief, clear answers. Most candidates who attempted this question did well on part a) the reasons for entering the alliance and part c) the potential risks. Many candidates confused the key success factors of alliances (part b) with benefits, thereby repeating their answers to the first part. Key success factors would include trust, common objectives, good communication, transparent management structures etc.

Question 8

Answers here varied most of all in terms of quality and depth. Good answers displayed familiarity with the work of Enterprise Ireland and the services they provide to companies preparing to export. Some answers displayed obvious first hand experience! Unfortunately, as with question 1, many candidates appeared to regard this too as a "soft" question, giving very vague and inaccurate answers. Candidates should be acquainted with the work (and different areas of responsibility) of Enterprise Ireland, Bord Bia and the IDA (for FDI) through their websites and annual reports.