



## **EXAMINER'S REPORT**

**AUGUST 2004**

### **INTERNATIONAL BUSINESS**

#### **General Comments**

The pass rate for this paper was down on the May results. However, given the high pass rate in May, and the correspondingly low number of candidates sitting the August paper, it would not serve any great purpose to discuss statistics here. The main reasons identified for failing were:

- One third of candidates failed to attempt 5 questions. In all such cases this resulted in overall failure of the paper.
- Once again, 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.

As always, this examiner reminds candidates of the importance of keeping up to date with both international and Irish current affairs in this course. Candidates should also be familiar with the reports and websites of major Irish international companies and institutions responsible for exporting such as Enterprise Ireland, Bord Bia and also the IDA. Where major international events are impacting on business, candidates are also expected to study and monitor these events through newspapers, documentaries etc.

#### **Question 1**

Once again, given the historic significance of the enlargement of the EU earlier this year and the potential impact this has for Irish business, this event warranted further consideration as the "topical question". However, this topic yet again attracted a very low number of answers just 38% of candidates attempting it. The role of the Council of Ministers was generally confused with that of the Commission. While the Irish Presidency covered a vast number of policy areas, it was expected that management of the enlargement process itself and the attempts to achieve unity on the European Constitution would be highlighted.

#### **Question 2**

This question is straight from chapter one of the text and deals with the domestic, international and foreign environments. Some answers referred solely to macro forces in the domestic environment, while others failed to distinguish sufficiently between the international and foreign environments.

### **Question 3**

This question attracted a high response rate with most scoring well. Major problems identified with this question included firstly, confusing this trade theory with the product life cycle theory. Secondly, in part (b) some answers overlooked the emphasis on the *firm*. Those who scored highly here correctly identified that this theory may help to understand trade flows but also may inform FDI decisions for the individual company.

### **Question 4**

There was a very low response rate to this question although it is also mainly directly taken from the text (chapter 4). Again, given the large amount of attention given to the EU this year, this question should have given candidates a further opportunity to discuss this from a different theoretical perspective. Other major examples include NAFTA, while unsuccessful examples could include ECOWAS in Africa or the OAS.

### **Question 5**

This type of question is designed as an opportunity to display knowledge of various elements of the syllabus without having to go into too much depth. There was however a high failure rate to this three part question with many candidates only attempting one note. Candidates are reminded that marks will automatically be deducted for not answering all three parts

### **Question 6**

This question was answered well in the main with most candidates taking the information from chapter 12 of the text. Main areas sought here included labour mobility (again, topical this year with reference to Ireland in the EU), labour force composition – age, gender, race, skills, labour costs, social considerations, the activity of unions etc. This is an area of continued importance to the Irish economy in terms of continuing to successfully attract FDI.

### **Question 7**

This question is taken directly from chapter 2 of the text and represents a really central subject area of the course. However the response rate to this question was extremely low. Fundamentally, indirect exporting refers to all exporting activity which is carried out through the use of home based exporters (agents, brokers etc). Direct exporting means that the producing firm is active in the process and has appointed someone internally to handle exporting. Generally they will deal with importers in the foreign market, but may progress to setting up a sales company in the foreign market.

### **Question 8**

This question is largely based on chapter 8 of the text and deals with the effect of location on political and trade relationships. There was a high response rate to this question with most scoring adequately reflecting perhaps the nature of the question. Higher marks went to answers which dealt sufficiently with our proximity to Northern Ireland and the UK; our relationship with the EU. Disadvantages of our peripheral location should be dealt with realistically, with some suggestions for overcoming the difficulties, eg focus on services, IT etc.