



EXAMINER'S REPORT

AUGUST 2005

INTERNATIONAL BUSINESS

General Comments

The pass rate for this paper was substantially lower than in May, however the small numbers sitting the repeat paper render any statistical analysis insignificant. Main reasons for failure were consistent with those in May:

- Failing to attempt 5 questions. In almost all such cases this resulted in overall failure of the paper.
- Giving the wrong answer which can earn no marks, e.g giving absolute advantage for comparative advantage.
- In many instances answers referred to material which had not been asked. Again, candidates would be advised to read the question carefully and ONLY answer what is asked as marks cannot be awarded for incorrect / irrelevant answers.

This examiner would again advise that candidates purchase both essential texts on this course. The latest (2nd) edition of the Irish text by MacDonnell and McEvoy is a much lengthier text than the first edition. This is an excellent accompaniment to the main text which is American and therefore lacks the Irish and European context. The Irish text is to be considered relevant and examinable in its entirety. Having the essential texts is necessary for both attending the course and exam preparation.

Candidates are also advised to keep informed of world events through (broadsheet) newspapers, TV news, the internet etc. Annual Reports and websites of major Irish organisations such as Enterprise Ireland, the IDA, the Irish Exporters' Association should also be studied and monitored.

Question 1

Question 1 on this occasion referred to ongoing reports and ranking of Ireland as the nr. 1 globalised country in the world. This is an issue which is reflected in the Irish balance of trade and extent of exporting and importing activity, economic development, national availability of modern telecommunications etc. The first part of this question really only required a by the book definition of globalisation which should include some reference to the integrative nature of globalisation. Reference could also be made to standardisation vs adaptation and the importance of cost competitiveness. This was not well answered in most cases. Consequently the answers to the second part were not well developed. This section gave the student scope to develop their own arguments for or against globalisation; e.g full employment and prosperity vs greater social divisions and loss of national fiscal independence.

Question 2

This 2-part question on intellectual property again asks for a straightforward definition / explanation of intellectual property. The second part requires the student to apply this in the context of Irish business. This is an area which is particularly well explained in the MacDonnell and McEvoy text.

Question 3

This question gave candidates wide scope to discuss the growth of world trade, particularly since the end of WWII and most particularly over the last 15 years. These are well treated in both texts. Candidates were also asked to comment on the role of the WTO which was set up to promote growth in world trade, primarily through the steady eradication of trade barriers such as quotas and tariffs. Answers varied greatly in accuracy on when the WTO was set up and its constituent elements. There was scope for criticism here as the WTO has been accused of not always acting in the interests of developing nations, which has been well documented in the international media in recent years. Such examples would have led to higher marks.

Question 4

Every paper features a question of this format where candidates are asked to write a note on three items, choosing from a set of five. Despite the consistency of this format many answers contain only two notes leading to low marks or a fail. The question gives candidates scope to answer in less depth on a wider range of the syllabus.

Question 5

This question is taken directly from chapter 3 of the Ball McCulloch text. It simply requires listing the main arguments for trade barriers (eg protecting local jobs) and against (eg makes companies less competitive in the long run). Some answers also listed the type of barriers which was considered relevant. In the main, this question was well answered.

Question 6

This question put a slightly different perspective on traditional trade theory in that it allowed candidates to select which theories to discuss and also ensured that the relevance of the theory was discussed. Again, this question was quite well answered with most candidates discussing a good range of theories. Most answers quite correctly include reference to the international product life cycle theory, but surprisingly none referred to Porter's Diamond which would be highly relevant and illustrative here.

Question 7

The area of cultural studies is so critical to international business that most papers feature a question on culture in some form. This particular question was very straightforward requiring a discussion of how the individual components of culture (such as education, religion, aesthetics etc) can impact on companies doing business across borders. Answers with good examples were awarded higher marks.

Question 8

This question on market screening required a description of the screening process outlined in chapter 15 of Ball McCulloch and is also discussed in the Irish text. This area is of fundamental importance to potential exporters in order to ensure that potentially lucrative markets are not overlooked, but equally that possible limitations are also identified early on when a company is seeking to identify new export markets. In the main this question was also well answered.