



Foundation Certificate in Marketing - Stage 2

INTERNATIONAL BUSINESS

FRIDAY, MAY 13, 2005. 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. In January 2005 the Taoiseach, Bertie Ahern, led the biggest ever Irish trade mission abroad, to China. Against the backdrop of this:
 - (a) Describe the role of a trade mission
 - (b) Why should Irish companies participate in trade missions?
 - (c) Evaluate the reasons for success of this trade mission to China.
2. Is knowledge of cultural differences important for companies involved in international business? Give reasons for your answer.
3. "It is not difficult to find faults with the WTO. But what it represents is too precious to abuse. There is no credible alternative model of global governance in trade out there." *Peter Sutherland, 2003*
Critically evaluate the above statement, outlining the role, achievements and limitations of the WTO.
4.
 - (a) Describe the theory of comparative advantage
 - (b) Drawing on this theory, outline a case for free trade.
5. How is international business different?
6. Write a note on **three** of the following:
 - (a) Incoterms
 - (b) Tariffs
 - (c) Joint Venture
 - (d) FDI
 - (e) World Bank

P.T.O.

7. In 2004, the Euro performed very strongly against the US\$. Describe the advantages and any possible disadvantages of this for Irish firms doing business in the US market.
8. Describe the method of payment options open to an exporter. Evaluate these in terms of the security they provide.