



EXAMINER'S REPORT

MAY 2007

INTERNATIONAL BUSINESS

General Comments

The pass rate for this exam this session was over 90% which is a very good result. Undoubtedly the lower absolute number of candidates taking the exam contributes to this, however it is also clear that students were well prepared for the subject range in the exam.

The failure rate was below 10% and therefore well within statistical norms. Over 70% of candidates achieved an honours mark. However, it is worth exploring the reasons for failure or for low performance:

- Giving the wrong answer which can earn no marks.
- 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.

Success in this exam depends greatly on adequate preparation of course, but also on keeping abreast of international developments in general in the national press and TV news, internet etc. Candidates must also be familiar with the reports and websites of major Irish international companies and institutions responsible for exporting such as Enterprise Ireland, Bord Bia, the IDA and the Irish Exporters' Association.

Finally, it must also be advised 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.

Question 1

This question always relates to a topical issue. This year it related to the role of the World Trade Organisation and specifically to the breakdown of the Doha talks in July 2006. There was quite a low response to this question and a high incidence of low marks. This was largely due to candidates not answering the second part of the question which accounted for 40% of marks. Given the significant role of the WTO in international trade and its impact on international business it is to be assumed that students keep up to date on developments in trade round talks and are familiar with the key current issues.

Question 2

The response rate to this question was also quite low which this examiner considers surprising given the straightforward nature of what was asked. The methods of payment open to exporters and associated risks are covered extremely well in the Irish text. Given that this is an essential part of participating in international business, this is an area that students are advised to be familiar with.

Question 3

Social and cultural forces are well established on the course and in the written exams. This issue is critical to successfully conducting international business, and yet still underestimated by many companies. This question was broad in nature allowing candidates considerable scope in their answers. Elements of culture were obvious here – religion, aesthetics, social organisation etc – and some answers also contained reference to Hofstede's work and/or the self-reference criterion. Good application examples scored well here.

Question 4

This two-part question on intellectual property was again quite straightforward. Part (a) simply required a good definition of intellectual property and most answers accomplished this. Part (b) looked for reasons why this is important to Irish companies. Answers which gave consideration to both protection of own IP and risks of infringement of others scored well.

Question 5

Trade theory forms an integral component of the background to understanding international trade patterns. Rather than focussing on one particular theory, this question encouraged students to consider the relevance of trade theory – in this case in relation to company location. Average answers simply described the major theories such as mercantilism, comparative advantage etc. Higher marks were given to those who considered the issue and applied it to the theories – e.g. in connection with the international product life cycle theory which assigns a major role to production abroad.

Question 6

This question on barriers to trade required students not just to list the main barriers – tariffs, quotas etc. – but also to consider the reason they are applied. Critical treatment of the reasons – i.e. assessing the downside of such barriers - was rewarded with higher marks. In some cases candidates also made good original arguments for the employment of trade barriers and also scored well.

Question 7

This three part question is designed to give students with a wider grasp of the course the opportunity to write on a number of issues. However, it is difficult to pass this question if all three parts are not answered. Major issues this year included confusion over Direct Exporting (as opposed to Indirect Exporting); mistaking globalisation for internationalisation and confusing the IMF with the WTO.

Question 8

Many answers considered this as a market screening question. This information is relevant, however the depth here is to be given to the socio-economic and economic factors. It is to be assumed that an organisation is now at this stage of the screening process and requires the detailed data for example, GNP/GDP, economic growth rates, balance of payments information, demographic trends, education levels etc. Candidates are again reminded to read the question carefully and answer what is asked.