

SULIT



**KEMENTERIAN PENDIDIKAN TINGGI
JABATAN PENDIDIKAN POLITEKNIK DAN KOLEJ KOMUNITI**

**BAHAGIAN PEPERIKSAAN DAN PENILAIAN
JABATAN PENDIDIKAN POLITEKNIK DAN KOLEJ KOMUNITI
KEMENTERIAN PENDIDIKAN TINGGI**

JABATAN PERDAGANGAN

PEPERIKSAAN AKHIR

SESI II : 2023/2024

DPP20013: INTRODUCTION TO INTERNATIONAL BUSINESS

TARIKH : 05 JUN 2024

MASA : 8.30 PAGI - 10.30 PAGI (2 JAM)

Kertas ini mengandungi **TIGA (3)** halaman bercetak.
Struktur (4 soalan)

Dokumen sokongan yang disertakan : Tiada

JANGAN BUKA KERTAS SOALAN INI SEHINGGA DIARAHKAN

(CLO yang tertera hanya sebagai rujukan)

SULIT

INSTRUCTION:

This section consists of **FOUR (4)** structure questions. Answer **ALL** questions.

QUESTION 1

CLO1 (a) Identify **FIVE (5)** differences between international and domestic business.
[10 marks]

CLO1 (b) i. Choose any **FIVE (5)** Internal environment in international business.
[5 marks]

ii. Explain the implications of international business area towards:

a. International Marketing [5 marks]

b. Global Supply Chain Management [5 marks]

QUESTION 2

CLO1 (a) Describe the **THREE (3)** types of government takeover.
[10 marks]

CLO1 (b) i. Explain the international strategies of Multidomestic Firms.
[6 marks]

ii. Discuss **THREE (3)** differences between Transnational and Global Firm.
[9 marks]

QUESTION 3

- CLO2 (a) Describe the following modes of entry.
- i. Joint Venture [5 marks]
 - ii. Manufacturing Contract [5 marks]
- CLO2 (b) i. Examine market entry methods for franchising with the example. [6 marks]
- ii. Write **THREE (3)** advantages and disadvantages of Franchising. [9 marks]

QUESTION 4

- CLO2 (a) Discuss any **TWO (2)** elements of culture in international business. [10 marks]
- CLO2 (b) Examine China culture based on Hofstede's five dimensions. [15 marks]

END OF QUESTION

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JABATAN PERDAGANGAN

PEPERIKSAAN AKHIR

SESI II : 2023/2024

DPP20013: INTRODUCTION TO INTERNATIONAL BUSINESS

PERATURAN PERMARKAHAN

**PENYELARAS
POLITEKNIK MELAKA**

SULIT

ANSWER	MARK/NOTES												
QUESTION 1													
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<i>any relevant answers are acceptable</i>	Total 10 marks												
(b) i. List FIVE (5) Internal environment in international business													
<ul style="list-style-type: none"> i. Production (1m) ii. Capital (1m) iii. Personnel (1m) iv. Raw material (1m) v. Marketing (1m) 	Total 5 marks												
<i>any relevant answers are acceptable</i>													

	MARK/NOTES
<p>ii. Explain the implication to the following international business area</p> <p>International Marketing</p> <ul style="list-style-type: none"> - International Marketing is the application of marketing principles to satisfy the varied needs and wants of different people residing across the national. <i>(2m)</i> - International marketing requires different strategies in the promotion of their products and services. <i>(1m)</i> - The company have to take several considerations before markets its product likes markets orientation, market segmentation, market targets and etc. <i>(2m)</i> <p><i>any relevant answers are acceptable</i></p> <p>Global Supply Chain Management.</p> <ul style="list-style-type: none"> - A global supply chain is a dynamic worldwide network when a company purchases or uses goods or services from overseas. <i>(1m)</i> - It involves people, information, processes and resources involved in the production, handling and distribution of materials and finished products or providing a service to the customer <i>(2m)</i> - Supply chain management is the management of the flow of goods and services and includes all processes that transform raw materials into final products. It involves the active streamlining of a business's supply-side activities to maximize customer value and gain a competitive advantage in the marketplace. <i>(2m)</i> <p><i>any relevant answers are acceptable</i></p>	<p>2</p> <p>1</p> <p>2</p> <p>Total 5 marks</p> <p>1</p> <p>2</p> <p>2</p> <p>Total 5 marks</p>
<p>QUESTION 2</p> <p>(a) Interpret the THREE (3) types of government takeover</p> <ul style="list-style-type: none"> i. Expropriation is where the government seizes an investment, <i>(1m)</i> but some reimbursement for the assets is made; often the expropriated investment is nationalized to become a government run entity. <i>(2m)</i> ii. Confiscation the most severe political risk, is the seizing of a company's assets without payment. <i>(3m)</i> iii. Nationalization occurs when the government takeover of an entire industry, with or without compensation. <i>(2m)</i> It's arisen when the government mandates local ownership and greater national involvement in a foreign company's management. <i>(2m)</i> 	<p>3</p> <p>3</p> <p>4</p> <p>Total 10 marks</p>

any relevant answers are acceptable		MARK/NOTES								
(b) i. Explain international strategies used by Multidomestic Firms										
- Companies that operate mostly or solely within one country are domestic firms. The products and services are typically tailored to the local environment, which may lead customers to trust or prefer domestic companies over foreign businesses. (2m)		2								
- It will adapt to each market based on differences in resource availability, cultural values, product usage and marketing opportunities. barriers. (2m)		2								
- Decentralized organizational structure and decision making (1m)		1								
- Example multidomestic companies like Mc Donald, KFC (1m)		1								
ii. Discuss THREE (3) differences between Transnational and Global Firm										
<table border="1"> <thead> <tr> <th>Transnational Firm</th> <th>Global Firm</th> </tr> </thead> <tbody> <tr> <td>Operation and trading mixture of global and multi domestic strategy. 1.5m</td> <td>Operations in many countries between 15 to 20 countries 1.5m</td> </tr> <tr> <td>Investment. Mostly have FDI at foreign country that they operated. 1.5m</td> <td>Mostly have FDI at foreign country that they operated. 1.5m</td> </tr> <tr> <td>Challenges. Varied organizational structure and culture. Transnational firm international manpower and organizational problems. 1.5m</td> <td>Challenges in investment where global firm may face regulatory and legal issues .1.5m</td> </tr> </tbody> </table>	Transnational Firm	Global Firm	Operation and trading mixture of global and multi domestic strategy. 1.5m	Operations in many countries between 15 to 20 countries 1.5m	Investment. Mostly have FDI at foreign country that they operated. 1.5m	Mostly have FDI at foreign country that they operated. 1.5m	Challenges. Varied organizational structure and culture. Transnational firm international manpower and organizational problems. 1.5m	Challenges in investment where global firm may face regulatory and legal issues .1.5m		9
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QUESTION 3										
(a) Describe the following modes of entry										
i. Joint Venture										
- an enterprise, corporation or partnership, formed by two or more companies, individuals, or organizations, at least one of which is an operating entity which wishes to broaden its activities, (2m)		5								
- for the purpose of conducting a new, profit-motivated business of permanent duration.' (2m)										
- advantage is Local marketing and production/ procurement of expertise from local partner (1m)										

	MARK/NOTES
<p>ii. Manufacturing contracts</p> <ul style="list-style-type: none"> - Contract manufacturing is a process that establishes a working agreement between two companies. <i>(2m)</i> - As part of the agreement, one company will custom produce parts or other materials on behalf of their client. <i>(2m)</i> - Advantages - The client does not have to maintain manufacturing facilities, purchase raw materials, or hire labor in order to produce the finished goods so less capital investment is required. <i>(1m)</i> <p style="text-align: right;"><i>any relevant answers are acceptable</i></p>	<p>5</p> <p>Total 10 marks</p>
<p>(b) i. Examine market entry methods for franchising with provide an example</p> <ul style="list-style-type: none"> - Under franchising, an independent organization called the franchisee operates the business under the name of another company called the franchisor. <i>(2m)</i> - In such an arrangement the franchisee pays a fee to the franchisor. Franchising is a form of Licensing but the Franchisor can exercise more control over the Franchisee as compared to that in Licensing. <i>(2m)</i> - Franchisee has to pay a fixed amount and royalty based on sales. Franchisee should agree to adhere to follow the franchisor's requirements. Franchisor helps the franchisee in establishing the manufacturing facilities. Franchisor allows the franchisee some degree of flexibility. For example; McDonalds, Subway, KFC. <i>(2m)</i> <p style="text-align: right;"><i>any relevant answers are acceptable</i></p>	<p>6</p>
<p>ii. Write THREE (3) advantages and disadvantages of Franchising</p> <p><i>Advantages</i></p> <ul style="list-style-type: none"> • Important way of gaining foreign returns on certain kinds of customer-service and trade name assets<i>(1.5m)</i> • Involves longer term commitment than licensing. Primarily used by service firms (McDonalds)<i>(1.5m)</i> • Firm relieved of many costs & risks of opening new market.<i>(1.5m)</i> <p><i>Disadvantages</i></p> <ul style="list-style-type: none"> • No manufacturing so no location economies & experience curve<i>(1.5m)</i> • May inhibit the ability to take profits out of one country to support competitive attacks in Another <i>(1.5m)</i> • Risk of worldwide reputation if no quality control <i>(1.5m)</i> <p style="text-align: right;"><i>any relevant answers are acceptable</i></p>	<p>4.5</p> <p>4.5</p> <p>Total 15 marks</p>

	MARK/NOTES
<p>QUESTION 4</p> <p>(a) Discuss any TWO (2) elements of culture</p> <p>i. Language</p> <ul style="list-style-type: none"> - Plays large role in business and can affect the outcomes of any deals (1m) - Fail to master the language will resulting in business loss and disaster(1m) - Language use as medium of negotiation for price, delivery dates(1m) - If one party not completely fluent in other party language, confusion will lead to delays and misunderstanding (1m) - Example: advertisement by Nike was considered to be insulting to Chinese culture, although it was not intended, as it is cross-cultural misunderstanding mistake(1m) <p>ii. Manners and customs</p> <ul style="list-style-type: none"> - It refer to appropriate methods of behaving, speaking and dressing in a certain culture (1m) - In doing business at foreign market, people must behave themselves to that countries culture (1m) - Some country has informal cultures, which people are equal and work together and some are more formal which depends on status on hierarchy (1m) - Customs may vary in term of appropriate behaviour at social gathering, gift giving, working time, holidays (1m) - Example: when you doing business in China, during gathering, you should not finish the food that being served as it is considered as ill-mannered (1m) <p style="text-align: right;"><i>any relevant answers are acceptable</i></p>	<p>5</p> <p>5</p> <p>Total 10 marks</p>
<p>(b) Examine China culture based on Hofstede`s five dimension</p> <p>i. Power distance (1m)</p> <ul style="list-style-type: none"> - In a society that believes that inequalities amongst people are acceptable. - The subordinate-superior relationship tends to be polarized and there is no defence against power abuse by superiors. (1m) - Individuals are influenced by formal authority and sanctions and are in general optimistic about people`s capacity for leadership and initiative(1m) 	<p>3</p>

	<u>MARK/NOTES</u>
<p>ii. Long-term vs Short-term direction(1m)</p> <ul style="list-style-type: none"> - China scores high in this dimension, which means that it is a very pragmatic culture. (1m) - In societies with a pragmatic orientation, people believe that truth depends very much on situation, context and time (1m) 	3
<p>iii. Uncertainty avoidance(1m)</p> <ul style="list-style-type: none"> - <i>the way that a society deals with the fact that the future can never be known(1m)</i> - China has a low score on Uncertainty Avoidance, they are risk taker - The Chinese are comfortable with ambiguity. (1m) 	3
<p>iv. Masculinity vs Femininity(1m)</p> <ul style="list-style-type: none"> - China is a Masculine society –success oriented and driven. The need to ensure success can be exemplified by the fact that many Chinese will sacrifice family and leisure priorities to work. (2m) 	3
<p>v. Collectivism vs Individualism(1m)</p> <ul style="list-style-type: none"> - <i>Refer to the degree of interdependence a society maintains among its members.</i> - Highly collectivist culture where people act in the interests of the group and not necessarily of themselves. In-group considerations affect hiring and promotions with closer in-groups (such as family) are getting preferential treatment. (2m) 	3
<p><i>“If the working method is different from the solution given, make an appropriate adjustment to the marking scheme with approval from Program Leader”</i></p> <p><i>any relevant answers are acceptable</i></p>	Total 15 marks