



The Chartered  
Institute of Logistics  
and Transport

The  
Management  
University  
of Africa



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**CHARTERED INSTITUTE OF LOGISTICS AND TRANSPORT (CILT)**  
**EXAMINATIONS IN COLABORATION WITH MANAGEMENT UNIVERSITY OF**  
**AFRICA**

**ADVANCED DIPLOMA IN LOGISTICS AND TRANSPORT**

**INTERNATIONAL BUSINESS**

**DATE: 20TH FEB 2018**

**DURATION: 2 HOURS**

**MAXIMUM MARKS: 70**

**INSTRUCTIONS:**

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **SIX (6)** questions.
4. Question **ONE** is compulsory.
5. Answer any other **THREE** questions.
6. Question **ONE** carries **25 MARKS** and the rest carry **15 MARKS** each.
7. **Write all your answers in the Examination answer booklet provided**

### Question One

Read the case study and answer the questions that follow.

#### CASE STUDY: SATELLITE TELEVISION BROADCAST

Although not everyone agrees that the unbridled globalization of professional sports is all for the good, the process and possibilities are definitely far-reaching. Today's satellite television broadcasts enable fans to watch top players and teams in nearly any sport from almost anywhere on earth. Professional teams scour the world to find and develop the most talented athletes, and players forsake home country allegiances in their pursuit of the world's highest salaries. Further, the more people that tournaments can attract through attendance and television, the more money that sponsors and advertisers are willing to pay and the greater the likelihood that those sponsors and advertisers will have business operations that span the globe. In addition, sports and non-sports companies alike pay famous athletes and teams generous sums to endorse their products. Successful teams have opened shops both domestically and internationally to sell souvenirs bearing their logos and may make more money on merchandise than from TV rights and sponsorships combined. Most recently, as teams and leagues have begun to seek income opportunities outside their home countries, foreign investors have acquired various football teams in Europe, as well a controlling interest in various athletic teams in Kenya.

- A. Clearly describe five forces behind globalization. (5 Marks)
- B. Companies may need to transfer new products and/or operating methods from one country to another in order to gain a competitive advantage. To maximize the potential benefits of their foreign presence, they need to treat learning as two-way process and transfer knowledge from home countries abroad and from host countries back home. Identify and elaborate five strategies that a company can use for instituting change. (5 Marks)
- C. Political risk reflects the expectation that the political climate in a country will change in such a way that a firm's operating position or investment value will fluctuate. Identify and discuss four types of political risk. (5 Marks)
- D. Explain five features of an economy. (5Marks)
- E. Describe five impacts that multinational enterprises may have on economies (5Marks)

(5Marks)

### Question Two



- A. Clearly describe five assumptions and limitations of the Theories of Specialization  
(5Marks)
- B. Many of today's emerging economies emulate historical practices and use protectionism to spur local industrialization. The industrialization argument purports that the development of national industrial output should be supported, even though domestic prices may not be competitive on the world market. Give five reasons to support the Industrialization argument  
(5Marks)
- C. List and explain five major foreign exchange instruments (5Marks)

### Question Three

- A. The value chain is a representation of the firm as a series of discrete value creating activities. Clearly explain value chain and give its four organizing dimensions. (5 Marks)
- B. Explain five economic variables that pertain to market size (5 Marks)
- C. The operational mistakes associated with exporting can be very costly. Most new exporters stumble once or twice before experiencing consistent success. Explain five pitfalls of exporting. (5 Marks)

### Question Four

- A. Give and explain five reasons why companies may find more advantages by producing in foreign countries rather than by exporting to them. (5 Marks)
- B. Organizational structure is the formal arrangement of roles, responsibilities, and relationships within an organization and is a powerful tool with which to implement strategy. Describe five types of organizational structures. (5 Marks)
- C. International marketing orientations help determine the degree to which companies follow either a globally integrated or locally responsive strategy. Explain five common product policies as discussed under marketing orientations. (5 Marks)

### Question Five

- A. Define a global strategy and discuss the four factors that determine the success of a global manufacturing strategy. (10 Marks)

- B. Discuss five key variables to monitor when forecasting exchange-rate movements. (5 Marks)

**Question Six**

- A. Identify and discuss four key factors that management must consider if it wishes to protect assets from exchange-rate risk. (8 Marks)
- B. Define the term expatriate and discuss the criteria that should be used to identify the appropriate home-country and foreign national managers for a country transfer. (7 Marks)