Moderated
22/01/2020

KENYATTA UNIVERSITY

UNIVERSITY EXAMINATIONS 2019/2020

SECOND SEMESTER EXAMINATION

EAE 200: ECONOMICS OF GLOBAL BUSINESS

Externally Moderated
03/02/2020

INSTRUCTION: Answer question ONE and any other TWO questions

QUESTION ONE

a) Differenciate ~~Explain the difference in meaning to~~ the following terms used in global business.

i. Experience curve and economies of scale (2 marks)

ii. Turnkey project and franchising (2 marks)

iii. Effects of globalization and impact of globalization (2 marks)

iv. Multinational Corporations and Global industry. (2 marks)

v. Global business and national business strategy (2 marks)

b) The impact of globalization differs depending on the group in question. Discuss this statement with reference to consumers, workers, companies and governments. (10 marks)

c) Discuss the ethical issues in global business that managers who work in institutions that transcend national borders and cultures have to pay attention to. (10 marks)

QUESTION TWO

a) Clearly discuss any five differences between East African Community and European Union towards their role in economic integration of their member states. (10 marks)

b) Apart from the view that financial crises were due primarily to national government and IMF generated moral hazard, describe any other causes of these crises that have hit the world between 1994-2008. (10 marks)

QUESTION THREE

a) Discuss the challenges faced by companies like Coca-Cola and Nestle while operating within the East Africa market. (10 marks)

b) Describe the steps involved in formulation of global business strategy and highlight three arguments in favor of standardization strategy. (10 marks)

QUESTION FOUR

a) Define globalization and briefly explain the market, cost, government and competitive forces that leads to its success. (10 marks)

b) Explain the political imperative of global business. (10 marks)

QUESTION FIVE

a) Using a well-labelled diagram give + explain an illustration of a trade diverting custom union. (10 marks)

b) Discuss the arguments that have been advanced concerning the operations of MNCs in developing countries. (10 marks) In full