



NATIONAL OPEN UNIVERSITY OF NIGERIA
Plot 91, Cadastral Zone, Nnamdi Azikiwe Express Way, Jabi - Abuja
FACULTY OF MANAGEMENT SCIENCES
JANUARY EXAMINATION

QUESTIONS 2018

COURSE CODE: BUS 419

COURSE TITLE: International Business

CREDIT UNIT: 3

INSTRUCTION:

1. Indicate your Matriculation Number clearly
2. Attempt question one (1) and any other three (3) questions; four questions in all
3. Question one (1) is compulsory and carries 25 marks, while the other questions carry 15 marks each.
4. Present all your points in a coherent and orderly Manner

TIME ALLOWED: 2½ Hours

1. Foreign Direct Investment (FDI) occurs when a firm invests directly in facilities to produce or market a product in a foreign country. Explain the theories underlying FDI with particular reference to the arguments of these theories. **(25 marks)**

2a. International business is considered to be an inevitable activity in the contemporary business economy. Why is it so?

2b. Explain the various factors that act as impediment to International trade. **(15 marks)**

3. Explain how each of the following principles justify international trading among nations.

i. Principle of Absolute Advantage

ii. Principle of Comparative Advantage

iii. Principle of Factor Endowment **(15 marks)**

4. Discuss the several challenges associated with International Marketing **(15 marks)**

5. Both small and large companies are involved in exporting in the contemporary business economy.

i. Why do they engage in exportation?

ii. Where do they receive counselling for exportation? **(15 marks)**

6. Give a brief account of the development of International Business **(15 marks)**