



TECHNICAL UNIVERSITY OF MOMBASA

SCHOOL OF BUSINESS

DEPARTMENT OF BUSINESS ADMINISTRATION

UNIVERSITY EXAMINATION FOR:

MASTERS OF SUPPLIES MANAGEMENT

BPC 5106 : INTERNATIONAL TRADE

SPECIAL SUPPLEMENTARY EXAMINATION

SERIES:AUGUST2017

PAPER TWO

TIME:3HOURS

DATE:Pick DateSep2017

Instructions to Candidates

You should have the following for this examination

-Answer Booklet, examination pass and student ID

This paper consists of **FIVE** questions. AttemptChoose instruction. **Question one Compulsory and any other THREE questions**

Do not write on the question paper.

Question ONE

Read the following case **Study** and answer the questions.

Mwakidoe's Business, Jitegemee incorporated , makes toy animals for children. The company currently only makes and sells his toys in Kenya. After a successful few years he decides he wants to expand into other countries. First he looks at setting up a factory in Congo. He finds out that the Congo government has many restrictions on foreigners setting up factories there. In addition he does not speak French and this makes it difficult for him to speak to some of the government officials. Next he looks at Angola. There are fewer restrictions there and the government officials he spoke to were very interested in him setting up his business there. Unfortunately the children in Angola seem to prefer different toys to the ones he makes. Last, he looks at Mozambique. Again he has a few language problems but there do not seem to be any official problems about him starting a factory there. Unfortunately he is not sure if he can compete with the many local toy making firms already there.

- a) Highlight the types of problems the company has faced when looking at different countries? **(10 Marks)**
- b) How can the company overcome these problems? **(10 marks)**
- c) What are the other problems the company may might face? **(10 marks)**
- d) Discuss ways which foreign governments use to attract international businesses? **(10 marks)**

Question TWO

- (a)** Discuss the benefits of international trade to buyers and suppliers **(10 marks)**
- (b)** Discuss five major challenges firms face in international sourcing **(10marks)**

Question THREE

- (a)** Describe the reasons behind the formation and operations of GATT and WTO **(10 Marks)**
- (b)** What are the positive impacts of trade agreements on Global Trade **(10marks)**

Question FOUR

- (a)** Highlight the key the issues facing firms operating in foreign markets **(10 marks)**
- (b)** What policies should Governments put in place to enhance international trade **(10 Marks)**

Question FIVE

- (a)** Explain the key theories of international trade **(10 marks)**
- (b)** Enumerate problems encountered in international markets by franchising system **(10 marks)**

Question SIX

- (a)** Explain the conditions international managers should put in place to promote international trade **(10 marks)**
- (b)** Discuss how international trade can promote multilateral relations **(10 Marks)**