



**UNIVERSITI TUN HUSSEIN ONN
MALAYSIA**

**FINAL EXAMINATION
SEMESTER II
SESSION 2009/2010**

SUBJECT NAME : INTERNATIONAL BUSINESS
SUBJECT CODE : BPF 3143
COURSE : 3 BPA
EXAMINATION DATE : APRIL / MAY 2010
DURATION : 2 HOURS 30 MINUTES
INSTRUCTION : PART A
ANSWER **ALL** QUESTIONS

PART B
ANSWER **TWO (2)** QUESTIONS
ONLY OUT OF FOUR QUESTIONS

THIS QUESTION PAPER CONTAINS 4 PAGES

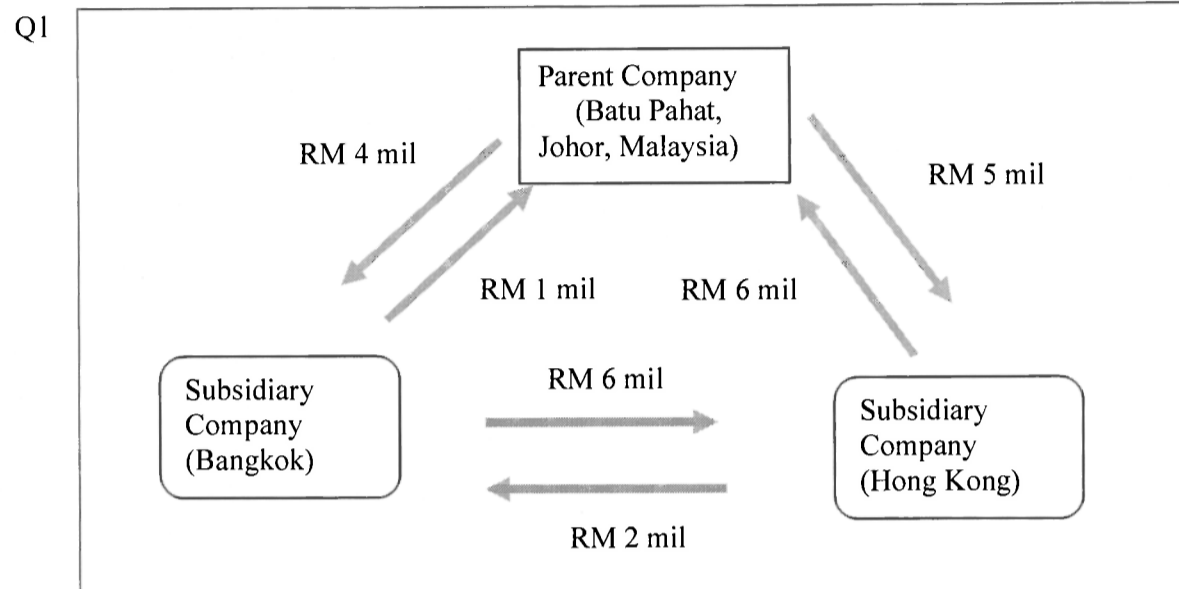
PART A (16 marks)

Figure Q1 Inter-Companies Cross Border Funds Transfer

Figure Q1, shows the transactions between a parent company in Malaysia and its subsidiaries in Bangkok and Hong Kong. The transactions require these companies to perform cross borders funds transfers among them.

- Discuss **FOUR (4)** methods of cross border funds transfer which can be adopted by these companies. (4 marks)
- Discuss the concept of multilateral netting strategy for payments settlement among companies within the same group. (4 marks)
- Payment settlement between companies shown in Figure Q1 is before the adoption of multilateral netting strategy.
Propose new payments settlement scheme by using multilateral netting strategy. (5 marks)
- Explain **THREE (3)** benefits of multi-lateral netting strategy to multinational company. (3 marks)

PART B (24 marks)

Q2 Logistic and supply chain for multinational firms (MNCs) has been identified as a component of key success factors in international business.

(a) Describe **THREE (3)** main factors to be considered by MNCs as to whether to centralize or decentralize their manufacturing plants. (7 marks)

(b) Despite facing uncertain risk exposure of foreign exchange rate, global sourcing is still regarded as an important strategy for MNCs.

State **FIVE (5)** reasons why MNCs pursue the global sourcing strategy. (5 marks)

Q3 Implementation of staffing policy is subjected to the type of organizational strategy adopted by MNCs.

(a) Describe the appropriate staffing policies which are compatible with Multi-domestic and Global organizational strategy. (8 marks)

(b) Explain the type of staffing policy being adopted by most Japanese MNCs in Malaysia. (4 marks)

Q4 PETRONAS participation as a sponsor to Formula One (F1) racing team has been seen as a waste by some quarters. However, from marketing and branding stand point, it has been seen as profitable investment for global branding.

(a) Describe **FIVE (5)** benefits of having global brand for MNC in international business. (8 marks)

(b) Explain the benefits that can be derived by PETRONAS by sponsoring F1 racing team. (4 marks)

Q5 Entering foreign market and involvement in international business can be done through various modes of entry.

(a) Describe **FIVE (5)** common entry modes which can be adopted by firms to participate in international business. (8 marks)

(b) Determine the type of entry mode adopted by most of US semi-conductors firms such as Texas Instrument Inc. in Malaysia. (4 marks)

END OF QUESTION PAPER