



CHRISTIAN SERVICE UNIVERSITY COLLEGE
KUMASI

CSUC SCHOOL OF BUSINESS

**DEPARTMENT OF MARKETING, LOGISTICS AND CORPORATE
STRATEGY**

SUPPLEMENTARY EXAMINATION – 2018/2019 ACADEMIC YEAR

Level 400

CSBM 471 INTERNATIONAL BUSINESS

AUGUST, 2019

70 MARKS

TIME ALLOWED: 2HOURS 30 MINUTES

GENERAL INSTRUCTIONS

- Candidates must write his/her index number, signature and date at the top of the question paper.
- This question paper is in two parts. Candidates are required to attempt **question 1** in Part A and only **two (2)** questions from Part B.
- All answers should be written in the answer booklet provided.
- All rough works must be done in the answer booklet and should be cancelled accordingly.
- Candidates should number their answers accordingly.

Examiner: Stephen Banahene

Part A (Answer all the questions in this part)

Question 1

Cote d'Ivoire and Togo produces cocoa and coffee. The man-working hours for the two countries in the production of cocoa and coffee are indicated in table 1 below:

Table 1: Countries' Man-working hours for Cocoa and Coffee Production

Country	Cocoa	Coffee
	Man working hours per kilo	Man working hours per kilo
Cote d'Ivoire	15	30
Togo	10	15

Before trade between the two countries, Togo produces 9,000 tons of cocoa and 6,000 tons of Coffee and Cote d'Ivoire also produces 8,000 tons of cocoa and 5,000 tones of coffees.

Required:

- Which country has absolute advantage in the production of cocoa and why? (3 marks)
- Which country has absolute advantage in the production of coffee and why? (3 marks)
- Using Ricardo's Comparative Advantage Theory, indicate the product that each of the countries should produce. (8 marks)
- Calculate the total production of cocoa and coffee by Cote d'Ivoire and Togo when Ricardo's Comparative Theory is applied. (8 marks)
- Critically evaluate the usefulness of Ricardo's Comparative Advantage Theory in the 21st Century. (8 marks)

Part B (answer only 2 questions in this part)

Question 2

Discuss four (4) ways by which social factors can affect the growth of international trade. (20 marks)

Question 3

- (a) Explain domestic trade (10 marks) (b) Explain international trade (10 marks)

Question 4

Evaluate the following approaches to international business:

- | | |
|------------------------------|----------------------------|
| (i) Ethnocentric (5 marks) | (ii) Polycentric (5 marks) |
| (iii) Regiocentric (5 marks) | (iv) Geocentric (5 marks) |

Question 5

Explain four (4) factors that give firms competitive advantage in international market. (20 marks)