

**CHUKA**



**UNIVERSITY**

**UNIVERSITY EXAMINATIONS**

**FOURTH YEAR EXAMINATION FOR THE AWARD OF  
DEGREE OF BACHELOR OF ECONOMICS AND SOCIOLOGY**

**ECON 424: ECONOMICS OF MULTINATIONAL BUSINESS**

**STREAMS: ECON SOCI**

**TIME: 2 HOURS**

**DAY/DATE : WEDNESDAY 22 /09/ 2021**

**2.30 PM – 4.30 PM**

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**INSTRUCTIONS TO CANDIDATES:**

- Answer Question One and any other Two Questions.
- DO NOT WRITE ANYTHING on the question paper.

**QUESTION ONE**

- a) Explain how political, economic and legal systems collectively influence a country's ability to achieve meaningful economic progress. [10 Marks]
- b) Describe the different approaches to business ethics that can be derived from moral philosophy and show how these approaches can help managers to make international business decisions that do not violate ethical norms. [10 Marks]
- c) Explain the important economic implications that international trade theory holds for business practices. [10 Marks]

**QUESTION TWO**

- a) Explain giving relevant examples why some governments intervene in international trade to restrict imports and promote exports. [10 Marks]
- b) Describe the role played by the International Monetary Fund and the World Bank in the global monetary system. [10 Marks]

**QUESTION THREE**

- a) Discuss how culture and social structure influence the economic performance of international firms globally. [10 Marks]
- b) Explain the Porter's Diamond theory influences on the national competitive advantage in global markets. [10 Marks]

**QUESTION FOUR**

- a) G.A.T.T is a foundation for development of the world trading system. Describe its features. [10 Marks]
  - b) Explain giving relevant examples the Eclectic paradigm theory of foreign direct investment in a host country. [10 Marks]
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