

LCBB4005 – GLOBAL BUSINESS ENVIRONMENT

MOCK EXAMINATION

18.07.2022

DURATION 2HOURS (2:10PM – 4:10PM)

KEY INSTRUCTIONS

ANSWER ALL THE QUESTIONS IN SECTIONS A AND B.

Every paper must contain the Title of the Exam, Your Name, Your Student ID, Module Name, Module Code and Name of Lecturer. This should be clearly written at the front page of the paper.

WRITE CLEARLY AND SUPPORT YOUR ANSWERS WITH EXAMPLES IF YOU WANT TO GAIN MORE MARKS.

SECTION A – ESSAY TYPE QUESTIONS

1. Explain the term **Market Failure**, using practical examples to support your answer (15 marks)
2. Use the Demand and Supply diagrams to explain the **Market Equilibrium**. (20 marks)
3. Explain 2 factors which can affect the **supply side of the market**. (15 marks)
4. Explain why **international trade** is important to a multinational company like Premier Inn. (10 marks)
5. Apple Technology Company is able to make its iPhone by engaging several countries across the globe. Explain what this concept mean, and why is it important for Apple's competitiveness in the global market? (20 marks)

SECTION B – MULTICHOICE QUESTIONS (2 marks each)

1. One of the factors of the Porter's Diamond Model is
 - a. Demand Conditions
 - b. Resources
 - c. Brand
 - d. Culture
2. "Dogs" in the BCG matrix represents growth rate, ... market share.
 - a. High, low
 - b. Low, low,
 - c. Low, high
 - d. High, high

3. All things being equal, when the price of goods and services increases, the quantity of the goods and services demanded also decreases and vice versa. This represents the
 - a. Supply curve
 - b. Profit Maximization
 - c. Demand Curve
 - d. Elasticity of Demand
4. The rate at which the supply for good changes quickly in response to a change in prices refers to
 - a. Elasticity of demand
 - b. Inelasticity of demand
 - c. Inelasticity of supply
 - d. Elasticity of supply
5. Engagement in the supply of goods and services between more than one country is known as
 - a. International trade
 - b. Global value chain
 - c. Export
 - d. Import

Stela goes to Asda with the intention of buying bread. She finds out that the price of bread had shot up from £1 to £5 buy so she could not buy any. Use this scenario to answer questions 6, 7 and 8.

6. What term is used to describe this scenario?
 - a. Market Equilibrium
 - b. Market
 - c. Market Forces
 - d. Market Failure
7. How is the concept best described?
 - a. Demand equals Supply
 - b. Demand does not equal supply
 - c. Bread is short supply
 - d. Demand is elastic
8. How can this problem be solved so that Stela can buy her bread at say £1?
 - a. Asda to supply more bread
 - b. Asda to reduce the price of bread to £4.50
 - c. Government to intervene by controlling price increases
 - d. Government to redirect consumers to another supplier.
9. Engagement of different countries in the production of a good or service with the purpose of improving quality and price is known as
 - a. Value Chain
 - b. International Business
 - c. Global Value Chain
 - d. BCG Matrix.
10. All of the following factors can affect the demand side of the market EXCEPT,
 - a. Price
 - b. Availability of substitute products

- c. Role of government
- d. Social Factors