

THE OPEN UNIVERSITY OF SRI LANKA
BACHELOR OF MANAGEMENT STUDIES DEGREE PROGRAMME
LEVEL 6
MCU 4206 – INTERNATIONAL MARKETING
FINAL EXAMINATION – 2014
DURATION: THREE (03) HOURS



Date: 13.07.2014

Time: 1.30pm – 4.30pm

INSTRUCTIONS

Answer Question No. 01 and three other questions. Write legibly.

Question No. 01

Read the following passage and answer the questions given at the end.

Deregulation and liberalization have been the trend in the past decade or more, and the number of countries moving from a regulated and restricted environment to a free economy has shown a rapid increase with many countries in the Eastern Europe opening up their economies, in order to join the European Community. This has resulted in the globalization of trade and it has become absolutely essential for countries, especially the smaller ones, to come up with strategies in order to face up to the new challenges they have to face in the highly competitive markets.

One of the main strategies adopted by most countries has been to enter into trade agreements with countries in their region and their trading partners in order to ensure that they are able to retain the markets for their products and services in the face of severe competition. The trade agreements may be bilateral or multilateral and in the case of the latter, agreements between regional groups have been common. Regional groupings sometimes do not prove to be very advantageous since they may be competing with each other but they are relatively easier to negotiate and therefore countries have had greater success in negotiating them.

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- a) Explain in detail how Sri Lanka as a small nation has faced the challenges of global competition by way of trade agreements. (25 marks)
- b) Explain with examples the methods available for regional economic integration. (15 marks)

Question No.02.

In the export planning process a firm has to engage in country analysis by way of answering four questions. Consider the situation of a hypothetical exporter and explain how to carry out the above exercise. (20 Marks)

Question No.03.

A Sri Lankan producer of canned fruit products wishes to export his product to an African country. Suggest him a suitable method to enter the prospective market. Justify your suggestion. (20 Marks)

Question No.04.

- a) Explain the process of executing a Letter of Credit. (12 Marks)
- b) Describe the different types of letters of credit, highlighting their distinguishing features. (08 Marks)

Question No.05.

Write short notes on any four of the following.

- a) World Trade Organization (WTO)
- b) Sri Lanka Export Development Board (EDB)
- c) Indirect exports
- d) Licensing
- e) Advance payment (20 Marks)

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