

Daffodil International University
Faculty of Business and Entrepreneurship
Department of Business Administration
Program: BBA

Semester: Summer 2025

Examination: Final

Time: 2 Hours

Full Marks: 40

Course Title: International Business

Course Code: 0414-324

Section: A, B, C & D

Teacher's Initial: AAB, RIR & AH

[Answer all the following questions]

1. You are the import manager of a Bangladeshi company that plans to import 1,000 laptops from a supplier in China. The total value of the order is USD 50,000. Your company has decided to use a Letter of Credit (L/C) as the payment method to ensure secure transactions for both parties.

Prepare a detailed step-by-step procedure **outlining** the process of opening and managing a Letter of Credit (L/C) for this import transaction. [CLO 1, Level 2] (8)

2. Explain the major functions of the foreign exchange market showing how the Fisher Effect can influence exchange rates in an open economy. [CLO 1, Level 2] (7)

3. Imagine you are an economic advisor to a developing country deciding whether to allow a large multinational corporation to invest in its manufacturing sector. Using the radical perspective, **identify** the potential risks and benefits of accepting FDI, and propose policies the government could implement to protect its national interests while attracting foreign investment. [CLO 2, Level 3] (8)

4. RFL, a Bangladesh-based home appliance manufacturer, is renowned for its cost-efficient production and standardized product designs. The company operates with both low local responsiveness and global integration. Seeing growth potential in the African market, RFL is planning to enter South Africa as a gateway to the region. However, the company faces a competitive landscape dominated by both local brands tailored to South African preferences and global giants with established distribution networks.

Identify the most suitable international business strategy it should adopt for entering the South African market showing the ways of competing using this strategy. [CLO 2, Level 3] (7)

5. GlobalTech Ltd. is a Bangladeshi electronics company that just got a big order from a European retailer for 50,000 smart home devices. Right now, the company makes all the parts itself. But this sudden big order and the need to meet high international quality have created a tough choice.

The company has two options:

- i) **Make:** Produce all the parts in its own factory, which keeps full control over quality but will take more time and cost more money.
- ii) **Buy:** Purchase some parts from a supplier abroad, which is faster and cheaper but depends on an outside company and may involve quality risks.

As an operations manager of GlobalTech Ltd., **analyze** whether you would make the parts yourself or buy them. [CLO 3, Level 4] (10)