

FINAL EXAMINATION

Semester	:	JANUARY 2024 SEMESTER
Programme Name	:	BA (HONOURS) BUSINESS 3+0 IN COLLABORATION WITH UNIVERSITY OF PLYMOUTH
Course Code & Name	:	MAL2029 AN INTRODUCTION TO INTERNATIONAL BUSINESS
Duration	:	3 HOURS

INSTRUCTIONS TO CANDIDATES:

1. Please read the instructions given in the question paper **CAREFULLY**.
2. The question paper consists of **FOUR (4)** questions.
3. Answer **ALL** questions in the question paper.
4. Answers to the questions are to be written into the examination booklet.
5. Electronic dictionaries, lecture notes, files or any unauthorised materials except writing equipment are strictly prohibited.

This question paper must be submitted along with all used and/or unused rough papers and/ or graph papers (if any). Candidates are **NOT ALLOWED** to take any examination paper(s) used or unused out of the examination hall.

WARNING:

The Examination Board of Peninsula College Georgetown regards cheating as a very serious offence and will not hesitate to mete out the appropriate punitive actions according to the severity of the offence committed, and in accordance with the clauses stipulated in the Students' Handbook, up to and including expulsion from Peninsula College Georgetown.

(This booklet contains 3 printed pages including this page)
DO NOT OPEN THIS BOOKLET UNTIL YOU ARE ALLOWED TO DO SO

SECTION A: CASE STUDY

[40 marks]

Answer **ALL** questions from this section.

CASE STUDY: MALAYSIA SECURES OVER MYR230 BILLION IN FDI COMMITMENTS IN 2023

Malaysia has secured a total of RM230.07 billion in foreign direct investment(FDI) commitments through a series of Trade and Investment Missions (TIM) held from January to September 2023, according to the Minister of Investment, Trade, and Industry Tengku Datuk Seri Zafrul Abdul Aziz.

This includes RM23.07 billion in investment commitments from Japan, RM170 billion from China, RM24 billion from the Republic of Korea and RM13 billion from Singapore. Out of the total investment commitments of RM230.07 billion, 51.38% or RM118.21 billion is expected to be finalized this year, Zafrul said in a written parliamentary reply to Datuk Zulkaferi Bin Hanapi.

Zafrul added that from January to June 2023, Malaysia managed to secure approved investments totalling RM132.6 billion in the service, manufacturing and primary sectors, involving 2,651 projects. This is expected to create 51,853 job opportunities in the country.

"Domestic direct investment (DDI) accounted for 52.2% or RM69.3 billion of the total approved investment driven by investments in the service sector, particularly in real estate and the primary sector. Total FDI contributed 47.8% or RM63.3 billion to approved investments," Zafrul said.

Compared with 2022, Zafrul noted that Malaysia recorded approved investments worth RM267.8 billion in the manufacturing, service and primary sectors, with FDI accounting for 61% or RM163.3 billion of the total investments while DDI represented 39% or RM104.4 billion of the total approved investments.

"China is the largest investor with the approval of 91 projects worth RM55.4 billion, followed by the United States (RM29.2 billion), the Netherlands (RM20.4 billion), Singapore (RM13.5 billion) and Japan (RM11.4 billion)," Zafrul added.

Zafrul stated that out of the RM170 billion investment commitment from China, several projects have made positive progress. This includes GDS Services Ltd investing RM4.5 billion in a 10-year hyperscale data centre project, LONGi Company allocating RM1.8 billion for expanding solar production in Selangor, ZTE Corporation partnering with Telekom Malaysia to establish 5G innovation centres with a RM200 million investment over five years, and Zhejiang Geely collaborating with DRB HICOM on the RM32 billion Automotive High-Technology Valley (AHTV) in Perak.

Zafrul added that aside from these, six projects with an investment of RM95.72 billion are expected to be finalized by the end of 2023, with the potential to create a total of 7,170 job opportunities, and one project with an investment of RM3.5 billion is expected to be finalized in 2025. He hopes that these FDIs could also create technology spillovers, assist in human capital formation, contributes to international trade integration and helps to create a more competitive business environment in Malaysia.

"MITI is fully committed to facilitating the investment projects, while the Project Implementation and Facilitation Office (TRACK) at Malaysian Investment Development Authority (MIDA) ensures a smooth approval and implementation process," said Zafrul.

END OF CASE STUDY

Adapted and modified from: Choy Nyen Yiau, "Malaysia secures over RM230 billion in FDI commitments in Jan-Sept 2023 – Zafrul", The Edge Malaysia, October 19, 2023.

1. a) Discuss any **FIVE (5)** benefits of foreign direct investment to host country like Malaysia. (20 marks)

 - b) Foreign Direct Investment (FDI) is important for developing economies and related accelerating growth in developing countries such as Malaysia. Suggest host-country policies to Malaysia government in encouraging more inward FDI. (20 marks)
- Total: [40 marks]

SECTION B: ESSAY QUESTIONS

[60 marks]

Answer **ALL** questions from this section.

2. a) Analyse the **TWO (2)** basic strategies to create value and attain competitive advantage as emphasized by Porter. (10 marks)

 - b) One big impediment to exporting is lack knowledge of the opportunities available. Discuss any **FIVE (5)** types of service providers available to exporters to improve export performance. (10 marks)
- Total: [20 marks]
3. a) Firms that compete in the global marketplace typically face two types of competitive pressures. Discuss the **TWO (2)** types of competitive pressures. (8 marks)

 - b) Examine the **THREE (3)** factors that are important to multinational companies when making location decisions. (12 marks)
- Total: [20 marks]
4. Examine the types of countertrade a country can use when conventional means of payment is difficult or costly. (20 marks)
- Total: (20 marks)

- END OF QUESTIONS -