

**UNIVERSITY OF SWAZILAND**  
**FACULTY OF COMMERCE**  
**DEPARTMENT OF BUSINESS ADMINISTRATION**  
**FIRST SEMESTER EXAMINATION**

TITLE OF PAPER : GLOBAL MARKETING ENVIRONMENT  
COURSE : BA 326/BA 425  
DEGREE AND YEAR : BCOM 3 & IDE LEVEL6  
TIME ALLOWED : THREE (3) HOURS

**INSTRUCTIONS:**

- 1. THIS PAPER CONSISTS OF SECTIONS (A) AND (B)**
- 2. SECTION (A) IS COMPULSORY**
- 3. ANSWER ANY THREE (3) QUESTIONS FROM SECTION B**
- 4. THE TOTAL NUMBER OF QUESTIONS IN THIS PAPER IS FIVE (5)**

NOTE: MARKS WILL BE AWARDED FOR GOOD COMMUNICATION  
IN ENGLISH AND FOR ORDERLY PRESENTATION

**THIS EXAMINATION PAPER SHOULD NOT BE OPENED UNTIL INVIGILATOR HAS  
GRANTED PERMISSION**

## SECTION A (COMPULSORY)

**READ THE FOLLOWING CASE AND ANSWER THE QUESTIONS BELOW**

### **MARCUS: GLOBALISATION BENEFITS ALL COUNTRIES**

Johannesburg - Globalisation has increased opportunities for all countries to become richer, South African Reserve Bank governor **Gill Marcus** said on Tuesday evening.

"Countries are not just able to exploit their present comparative advantages, but are also able to use technology and innovation to change their comparative advantages, to move up the value chain, thereby raising incomes and living standards of the poor," she said in a speech prepared for delivery in Pretoria.

"The global financial system has also adapted to a world unimaginable a few decades ago. Capital is able to flow from savers to borrowers, seeking opportunities in every corner of the planet."

Marcus said the net effect of greater global integration was that about a billion people had been lifted out of poverty in the past 20 years. However, globalisation had also increased risks and vulnerabilities for all countries, in particular for poorer countries.

"A housing loan crisis in the US eventually translates into rocketing youth unemployment in Spain. A banking crisis in Cyprus sends shares on the world's stock exchanges lower. Curbs on the importation of gold in India impact on the earnings of Ghanaian and South African gold miners," she said.

"And so, while globalisation and its tools - supply chains, technology and finance - has made a major positive contribution to development, these same tools have also made the world more complex, risky and dangerous."

Marcus said globalisation had also resulted in an increase in inequality in most major economies.

"As capital has become more mobile, investors are able to achieve higher returns by investing in new frontier markets.

"On the other hand, the entry of a billion more workers into the global labour force has depressed wages for low-skilled workers."

Marcus said the rich had achieved more out of globalisation than the poor.

"While it is undoubtedly true that poverty rates have fallen, the phenomenal increase in incomes going to the top one per cent of the world's population raises the threat of social instability, conflict and strife," she said.

Adapted from: Finweek. Oct 02 2013

### QUESTION 1

- a. In addition to the positives highlighted by Governor Marcus, support the arguments in favour of globalization. **(20 MARKS)**
- b. Discuss the negative consequences of globalization **(20 MARKS)**

**SECTION B (ANSWER ANY THREE QUESTIONS)****QUESTION 2**

- a) Describe with examples the major characteristics of the different levels of economic integration. **(12 MARKS)**
- b) Swaziland has seemingly lost its status in the African growth Opportunity Act (AGO). Discuss the implications of losing such an important trade agreement. **(8 MARKS)**

**QUESTION 3**

Evaluate the different economic and socio-economic variables in the global environment and explain how each can influence the future of marketing decisions of the firm. **(20 MARKS)**

**QUESTION 4**

- a) Edward T. Hall forwarded the concept of **high-** and **low-context** to explain cultural orientations. Describe the basic difference between the two. **(10 MARKS)**
- b) Discuss the influence of the self-reference criteria on the international marketer and how it can be overcome. **(10 MARKS)**

**QUESTIONS 5**

Discuss the importance of assessing the political environment from an international marketing perspective. **(20 MARKS)**