

**BUSA 4200 Exam3/4 Essay Review Questions D. Howard 11/6/03**

1. Describe what happened at the 1944 Bretton Woods conference. Are the monetary principles established by the Bretton Woods conference still in effect today?
2. What is the difference between a free floating exchange rate and a managed or dirty float system?
3. How do exchange rates affect individual international businesses? Do international businesses like stable rates or volatile rates? Explain your answer.
4. Describe the difference between fixed and floating exchange rates. Which is better? Explain your answer.
5. Describe the concept of “core competence.” What types of core competencies are the most valuable for penetrating foreign markets?
6. What is the experience curve? How can an involvement in overseas markets help a firm capture experience curve advantages more rapidly?
7. What is the difference between learning effects and economies of scale?
8. Firms that compete in global markets often face pressures for local responsiveness. Describe what is meant by local responsiveness, and identify the underlying reasons that local responsiveness pressures exist.
9. Describe the four basic strategies that firms use to compete in international markets. Which strategy is the best?
10. What is meant by the term, “first-mover advantage?” Describe several first-mover advantages.

11. Describe the mechanisms for financing export and import. Do you believe that the complexity of export financing deters small firms from becoming involved in exporting? Explain your answer.
  
12. What is the difference between a sight draft and a time draft?
  
13. What are the six different ways for a firm to enter a foreign market? Provide a brief description of each of these foreign market strategies. Discuss the advantages and disadvantages of each mode of entry.