

UNIVERSITY OF BOLTON
SCHOOL OF BUSINESS AND CREATIVE
TECHNOLOGIES
BUSINESS MANAGEMENT PATHWAY
SEMESTER I EXAMINATION 2010/2011
BUSINESS ENVIRONMENT
MODULE NO: BAM 1000

Date: Friday 21st January 2011

Time: 2.00pm – 4.00pm

INSTRUCTIONS TO CANDIDATES:

SECTION 1. MULTIPLE-CHOICE
Answer all 15 Questions

SECTION 2.
Answer all questions.

SECTION 3. ESSAYS
There are THREE questions.
Answer ONE question.

Sections 1 & 2 account each for 30%.
Section 3 accounts for 40% of the
final mark.

NOTES are ALLOWED for Section 3.

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SECTION 2 – Answer ALL questions

Using demand and supply graphs, explain the effects on the UK's Audi car market of the following:

	<u>MARKS</u>
1. A fall in the UK average wage rates.	4.5
2. An increase in the price of oil.	4.5
3. New EU regulations imposing lower levels of carbon dioxide emissions.	4.5
4. An increase in the UK average level of income.	4.5

Assume that in the last year the price of Audis has fallen by 4%, while Audi consumption has risen by 3% and consumer income by 2%.

5. Calculate the price <i>and</i> income elasticity of demand for cars.	6
6. Explain the effect on car revenue.	3
7. Account for the value of elasticities calculated in (5).	3

(30 marks)

SECTION 3

Choose ONE of the following:

1. Discuss the main reasons for Merger & Takeover activity.
2. Discuss the objectives of Multinationals and the effects (costs and benefits) of their activities on Host countries.
3. Critically discuss the main challenges facing the EU today.
4. The EU has at present 27 member states but is set to grow even larger as more countries wish to join. Discuss the costs and benefits of EU enlargement from the viewpoint of both *old* and *new* EU member states.

(40 marks)

END OF QUESTIONS