



GARISSA UNIVERSITY

UNIVERSITY EXAMINATION **2016/2017** ACADEMIC YEAR **ONE**
FIRST SEMESTER EXAMINATION

SCHOOL OF BUSINESS AND ECONOMICS

FOR THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION

COURSE CODE: MBA 865

COURSE TITLE: GLOBAL STRATEGIC MANAGEMENT

EXAMINATION DURATION: 3 HOURS

DATE: 08/12/17

TIME: 2.00-5.00 PM

INSTRUCTION TO CANDIDATES

- The examination has **SIX (6)** questions
- Question **ONE (1)** is **COMPULSORY**
- Choose any other **THREE (3)** questions from the remaining **FIVE (5)** questions
- Use sketch diagrams to illustrate your answer whenever necessary
- Do not carry mobile phones or any other written materials in examination room
- Do not write on this paper

This paper consists of **THREE (3)** printed pages

please turn over



QUESTION ONE (COMPULSORY)

Read the following case and answer the questions that ensue:

A major cereal manufacture produces and markets standardized breakfast cereals to countries around the world. Minor modifications in attributes such as sweetness of the product are made to cater to local needs. However, the core products and brands are standardized. The company entered the Chinese market a few years back and was extremely satisfied with the results. The company's sales continued to grow at a rate of around 50 percent a year in China and other Asian countries, and based on the market reforms taking place, the company started operations in India by manufacturing and marketing its products. Initial responses to the product were extremely encouraging, and within one year, the company was thinking in terms of rapidly expanding its production capacity. However, after a year, sales tapered off and started to fall. Detailed consumer research seemed to suggest the while the upper-middle social class. Especially families where both spouses were working to whom this product was targeted to fall. Detailed consumer research seemed to suggest that while the upper middle social class, these families where both spouses were working to whom this product was targeted adopted the cereals as an alternative meal (i.e., breakfast) for a short time, they eventually returned to the traditional Indian breakfast. The C.E.Os of some other firms in the food industry in India is quoted as saying that non-Indian snack products and restaurant business are the areas where MNCs can hope for success. Trying to replace a full meal with non-Indian product has less of a chance of succeeding. You are a senior executive in the international divisions of this food MNC having post-graduate qualification in business a distinguished university and several years of experience of operating in various countries in a product management function.

You have been appointed head of the fact finding mission to determine answers to these specific questions. What, in your own opinion, would be the answer to these questions?

- (a) Was entering the Indian market with a standardized product a mistake? Justify **[12 Marks]**
- (b) Was it a problem of the product, or the way it was positioned **[14 Marks]**
- (c) Given the advantages gained through leveraging of brand equity and product knowledge on a global basis and the disadvantages of differing local tastes, what would be your strategies for entering new markets **[14 Marks]**



QUESTION TWO

Global marketing mix is the parameter used to make decisions that center on the customers in foreign markets in order to create perceived value to the customer and profitability to the firm.

With reference to the above statement;

- (a) Discuss the different alternative strategies global business managers can use in determining an advertising agency in the foreign market. **[6 Marks]**
- (b) Discuss how products can be adapted physically and culturally to foreign markets. **[6 Marks]**
- (c) “Regardless of the strategic factors involved and the company’s orientation to market pricing, every price must be set with cost consideration in mind” Discuss **[8 Marks]**

QUESTION THREE

Expound on the role of World Trade Organization (WTO), International Monetary Fund (IMF) and the World Bank on global business. **[20 Marks]**

QUESTION FOUR

Discuss the critical competence required for success in global business management **[20 Marks]**

QUESTION FIVE

- (a) Discuss the challenges that strategic managers face in managing global business and show such challenges can be managed **[12 Marks]**
- (b) Identify and expound on recent economic and political changes that have dramatically altered the face of global business in developing countries. **[8 Marks]**

QUESTION SIX

- (a) Explain the differences between competitive advantage and comparative advantages **[4 Marks]**
- (b) Delineate the sources for global business success. Illustrate your answer with practical examples in an industry of your choice. **[16 Marks]**

