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**GARISSA UNIVERSITY**

**UNIVERSITY EXAMINATION 2017/2018 ACADEMIC YEAR ONE**

**THIRD SEMESTER EXAMINATION**

**SCHOOL OF BUSINESS AND ECONOMICS**

**FOR THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION**

**COURSE CODE: MBA 817**

**COURSE TITLE: GLOBAL STRATEGIC MANAGEMENT**

**EXAMINATION DURATION: 2 HOURS**

**DATE: 07/08/18 TIME: 09.00-12.00 AM**

**INSTRUCTION TO CANDIDATES**

* **The examination has SIX (5) questions**
* **Question ONE (1) is COMPULSORY**
* **Choose any other TWO (2) 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 question that ensue

A major cereal manufacturer and markets standardized breakfast cereals to countries around the world .minor modifications in attributes such a sweetness of 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 rate of around 50 percent a year in china and Asians’ countries , and based on market reforms taking place , the company started operations in India by manufacturing and marketing its products . initial response to the product was 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 consumers research seemed to suggest that, while social class especially families where both spouses were working to whom this product was targeted adopted the cereals as alternative meal.(i.e CEOs of some other firms in the food industry in India are quoted as saying that non- Indian snack products and restaurants business are the areas where MNCs can hope for success. Trying to replace a full meal with non- Indian product less of a chance of succeeding. You are a senior executive in the international divisions of this food MNCs having post-graduate qualification in business a distinguished university and several years of experience of operating in various countries in product managements functions.

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

**QUESTIONS**

1. Was entering the India market with a standardize products a mistake? Justify. **[12 marks]**
2. Was it a problem of the product, or the way it was positioned **[14 marks]**
3. Given the advantages to be gained through levering of brand and product knowledge on global basis and the disadvantages of different local tastes, what would be your best strategies for entering new markets? **[14 marks]**

**QUESTION TWO**

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

With reference to the above,

1. Discuss the different alternative strategies global business managers can use in determining an advertising agency in foreign market. **[6 marks]**
2. Products can be adapted physically and culturally for foreign markets. Discuss **[6 marks]**
3. “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**

A global mindset is a critical competence for success in global business management. Discuss while illustrating with relevant examples. **[20 marks]**

**QUESTION FIVE**

1. Discuss the challenges that strategic managers face in managing global businesses and show such challenges can be managed  **[12 marks]**
2. Identify and expound on recent economic and political changes that have dramatically altered the fact of global business in developing countries  **[8 marks]**

**QUESTION SIX**

Explain the difference between competitive advantages and delineate the sources of each of them for global business success. Illustrate your answer with practical example in an industry of your choice. **[20 marks]**