

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

EXAMINATION FOR THE AWARD OF DEGREE OF MASTER OF BUSINESS ADMINISTRATION

MBAD 873: GLOBAL STRATEGIC MANAGEMENT

STREAMS: MBAD Y2S1

TIME: 3

HOURS

DAY/DATE: THURSDAY 07/10/2021

2.30 P.M – 5.30 P.M.

INSTRUCTIONS:

- **Answer ALL questions.**
- **All questions carry equal marks**
- **Marks will be awarded for clarity and originality of ideas**
- **Do not write on the question paper.**

QUESTION ONE

- (a) Shoes n' Shoes Ltd is a local firm that manufactures custom made shoes in Chuka town. The firm does not wish to sell its shoes beyond the Kenyan market. Discuss whether the firm needs global strategic management. (10 marks)
- (b) Global firms usually face a dilemma in achieving efficiency, flexibility and learning. This dilemma culminates in the integration and responsiveness framework. Explain this framework giving an example of an industry that is more amenable to each approach and illustrate any two factors that would necessitate the choice of the approach for the industry cited. (10 marks)

QUESTION TWO

A leading telecommunications business in Kenya is considering expanding its activities to Ethiopia and is considering how to penetrate the market.

- (a) Explain five firm-specific variables that the firm should consider and show how they influence the firm's decisions. (10 marks)

- (b) Distinguish between joint ventures and strategic alliances showing how the firm would benefit in applying these strategies to penetrate the market in Juba. (10 marks)

QUESTION THREE

- (a) “Mere internationalization does not amount to globalization.” Explain this statement. (5 marks)
- (b) Distinguish between worldwide integration and national responsiveness and suggest a strategy that balances the two. (5 marks)
- (c) Foreign direct investments have bittersweet consequences for the countries in which they are invested in. Explain the positive and negative impacts of foreign direct investments to their host countries. (10 marks)

QUESTION FOUR

- (a) Explain how a firm can apply the BCG matrix in choosing which countries to set up operations in, showing the order it would follow in the selection process. (10 marks)
- (b) The cultural environment is very tricky to negotiate for a global business. Set out five cultural parameters that a global business should consider and illustrate how they influence the activities of a global business using examples from the multinationals operating in Kenya. (10 marks)

QUESTION FIVE

Chuma Ltd is a Kenyan company which has been a major player in international business for some years. The company manufactures and sells steel rods and currently its foreign business is handled by an export department. Recently the company has set up contractual arrangements in various countries to produce and sell the company’s rods.

- (a) Which organization structure would you recommend for the company and why? (Illustrate any four factors that you considered to make your recommendation). (10 marks)
- (b) Supposing the company decides to switch from contractual arrangements to foreign direct investments it has to determine its locus of decision-making and control. What approaches can the company adopt and what would be the main merit and demerit associated with each approach? (10 marks)
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