MACHAKOS UNIVERSITY

University Examinations for 2017/2018 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS, ENTREPRENEURSHIP & MANAGEMENT SCIENCE

FOURTH YEAR SECOND SEMESTER EXAMINATION FOR BACHELOR OF COMMERCE

BBA 402: MANAGEMENT OF INTERNATIONAL BUSINESS

DATE: 14/12/2017 **TIME: 8.30-10.30 AM**

INSTRUCTIONS

i. Answer questions **ONE** and any other **TWO** questions. In total answer THREE questions.
ii. Question ONE constitutes 30 marks in total while the rest of the questions accounts for 20 marks each.
iii. Use of relevant examples and real life cases is encouraged.

QUESTION ONE (COMPULSORY) (30 MARKS)

Village limited a company operating in Tanzania has been in existence for the last ten years. The company focuses on low cost farm inputs and targets peasant and community organized farming in the country side locations. The shareholders are drawn mainly from the private and NGO sectors some of whom come from other countries other than Tanzania. The company's top management is considering expanding their businesses to cover the countries within the East African Community region.

Required

a) What are the possible explanations behind this move? (10 marks)
b) State and explain challenges the company is likely to face (10 marks)
c) How should the Village ltd managers handle these challenges? (10 marks)

QUESTION TWO (20 MARKS)

"Many countries and companies have been and are eying Kenya as an attractive destination for investment".

With respect to this statement and with appropriate examples, what could you consider to be Kenya's most important location advantages in terms of her suitability for foreign direct investment? (20 marks)

QUESTION THREE (20 MARKS)

Before a firm enters a foreign market, it will need to make a decision as to which market to enter. This decision will need to be evidently supported by appropriate and relevant information. With good examples, state and explain two approaches that can aid in the foreign market selection. (20 marks)

QUESTION FOUR (20 MARKS)

A multinational corporation may choose to adopt a differentiation or an integration approach to its organizational structure with regard to its international business.

a) Explain the meaning of these two terminologies. (4 marks)

b) How can each of the structure be effectively operationalized? (8 marks)

c) Explain shortcomings associated with each of the above. (8 marks)

QUESTION FIVE (20 MARKS)

An international firm often comes across various forms of culture in its international business operations. With examples explain

a) Any four forms of culture that an international firm may come across. (10 marks)

b) The likely implications of culture issues on marketing programmes of an international firm (10 marks)