



# MASENO UNIVERSITY

## UNIVERSITY EXAMINATIONS 2012/2013

### SECOND YEAR FIRST SEMESTER EXAMINATIONS FOR THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION (HOMA BAY CAMPUS)

#### **MBA 850: GLOBAL STRATEGIC MANAGEMENT**

*Date: 4<sup>th</sup> August, 2013*

*Time: 9.00 – 12noon*

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#### INSTRUCTIONS:

- ◆ Answer any FOUR questions.
- ◆ All questions carry equal marks.

**Question 1**

A small Kenyan manufacturing firm believes there is a market for hand-held tools that are carefully crafted for local markets. After spending two months in Uganda, the Chief Executive of this firm believes that his company can create a popular line of these tools.

- a) What type of organization structure would be of most value to this firm in its initial efforts to go international? (5 marks)
- b) If the company in question a) above finds a major market for its products in Uganda and decides to expand into Asia, would you recommend any change in its organization structure? If yes, what would you suggest? If no, why not? (5 marks)
- c) If this same company finds after 3 years of international effort it is selling 50 percent of its output overseas, what type of organizational structure would you suggest for the future? (5 marks)

**Question 2**

A firm conducting business outside its home country must carefully study the government structure in the target market and analyze the salient issues arising from the political environment.

- a) Define political risk and explain why its analysis is critical to firms operating outside their countries of origin (7 marks).
- b) Describe the legal aspects governing global business management clearly outlining their impact on business transactions. [8 marks]

**Question 3**

Compare and contrast joint venture and a fully owned subsidiary as strategies for market entry in international business. (15 marks)

**Question 4**

Analyze the role of the following functional areas in implementation of global business strategy

- a) Marketing
- b) Production
- c) Finance

**Question 5**

Explain how organizational characteristics such as formalization, specialization, and centralization influence how the organization is structured and functions.

**Question 6**

- a) Outline some of the major factors affecting the degree of decision-making authority given to overseas units.
- b) Compare and contrast direct controls with indirect controls.