



**JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY**  
**SCHOOL OF BUSINESS & ECONOMICS**  
**UNIVERSITY EXAMINATION FOR MASTER OF BUSINESS ADMINISTRATION**  
**2<sup>ND</sup> YEAR 1<sup>ST</sup> SEMESTER 2024 ACADEMIC YEAR**  
**MAIN & KISUMU CAMPUS**

---

**COURSE CODE: MBA 850**

**COURSE TITLE: GLOBAL STRATEGIC MANAGEMENT**

**EXAM VENUE: PG LR 3**

**DATE: 30/04/2024**

**EXAM SESSION: 9.00 – 12.00 NOON**

**DURATION: 3 HOURS**

---

**INSTRUCTIONS**

- 1. Answer any FOUR questions**
- 2. Show ALL your workings and be as NEAT as possible.**
- 3. Candidates are advised not to write on the question paper**
- 4. Marks allocated to each question are shown at the end of the question.**

### QUESTION ONE (15 marks)

When Carrefour, the French mass retailer, decided in the late 1980s to enter the Asia Pacific region, it analysed the countries in the region to see whether their economic and social characteristics were favourable to the hypermarket concept. To be a sustainable retailing concept, a hypermarket requires a growing urban concentration of middle-class populations benefiting from an income per household above \$1000 per annum and an infrastructure capable of handling the heavy logistics demanded by continuous supplies. Finally, the country should have institutional and political stability. Having eliminated Japan, because of its retailing structure and its astronomical real estate cost, Carrefour considered four countries that, at that time, corresponded to their business concept criteria: Singapore, Korea, Hong Kong and Taiwan. Taiwan was chosen because, unlike Hong Kong and Singapore, mass retailing was not yet developed and Korea was not open to foreign companies in the retailing sector. Carrefour's motivations were to capture the opportunities offered by an increasing wealthy middle class in Taiwan. It also could 'learn' how to operate in a Chinese-speaking environment and to understand Chinese consumer behaviour. Such learning would be highly valuable for a further expansion in China and in South East Asia where a large middle class of overseas Chinese resided. Taiwan required foreign retailers to tie up with a local firm in joint venture agreements. Carrefour was not against a local partner because it needed to acquire contacts with government officials and suppliers as well as to learn about this new environment, but the company wanted to run the operation by itself. It was fortunate to find a strong local partner, the President Group, who was willing to help but did not interfere in operations.

After a few years, Carrefour expanded to other Asian countries: Malaysia, Thailand, China, Indonesia (under the form of joint ventures) and Hong Kong, Singapore and Japan (with a wholly-owned subsidiary). In all these countries Carrefour adopted different entries strategies. Carrefour example illustrates the multifarious aspects of entry strategies. Explore global company's entry strategy with appropriate examples in relation to:

- a. Entry objectives (5 marks)
- b. Timing of entry (5 marks)
- c. Mode of entry (5 marks)

### QUESTION TWO (15 marks)

- a. Global alliances are much more complex and subtle in their strategic and economic scope. With appropriate example demonstrate how Doz and Hamel (1998) distinguishes three broad types of strategic alliances. (5 marks)
- b. A brand is global when the product or service it represents is marketed across the world under its name. Explore the common features of global brands citing relevant global corporations as examples; (5 marks)
- c. Kasra Ferdows (1997) has proposed a model of classification of manufacturing centres in a global network leading to the definition of various strategic roles based on extensive longitudinal research. Illustrate the two main variables and identify main reasons in support. (5 marks)

### QUESTION THREE (15 marks)

- a. Global strategic ambition expresses the role a company wants to play in the world marketplace and how it views the future distribution of its sales and assets in the key regional clusters of the world. Using two global indices, identify five types of global ambitions and their roles. (6mks)
- b. Globalisation is associated with some degree of standardization of products and practices plus a high level of co-ordination and integration of activities in the companies' value chain. Illustrate how standardisation, co-ordination and integration are working against globalization (4 marks)
- c. It is current practice in some countries to offer gifts as recognition of friendship and relationships.<sup>3</sup> The border between a bribe and a gift is frequently ambiguous, but the common rule would be to consider as gift a present offered openly whose content can be disclosed in the person's professional and social environment. Gifts can also be offered to communities (school sponsoring, donation to communities, etc.) the rule still being that it can be openly offered. Beyond the frontiers of transparency, the land of bribery begins. Establish diverse causes of corruption categorized globally. (5 marks)

### QUESTION FOUR (15 marks)

- a. Organisational design reflects the way companies cope with pressures of a dual requirement. Examine the dual requirements and how companies put this demand into action through the implementation of three interlocked elements. (5 marks)
- b. Numerous studies have shown that expatriate personnel are confronted with a set of challenges, in the execution of their duties globally. Considering the findings of Rosalie Tung (1987, 1988) establish the main causes of failure among expatriate managers. (4 marks)
- c. The purpose of country risk analysis is to assess the probability that adverse circumstances owing to political, economic or social actions will negatively affect business performance. Illustrate with the relevant examples categories that depict country risks. (6 marks)

### QUESTION FIVE (15 marks)

- a. Partisans and adversaries of free trade have exchanged heated debates about the pro and cons of globalisation for society. In cognizance of societal benefits of globalization, discuss arguments in favour and against globalization. (6 marks)
- b. Theoretically M&As contribute to enhancing the economic value of the companies involved. The economics of a merger or an acquisition is justified if, and only if, the value of the new merged or combined entity is bigger than the sum of the value of the independent entities prior to the merger. Illustrate from a strategic point of view how M&As create value. (5 marks)
- c. The world of global finance has been evolving quite dramatically since 1980. Alongside traditional financing instruments like international promissory notes that existed in the Middle Ages, a vast array of facilities has been opened to firms operating across borders, ranging from hedging techniques to cross-border listing and swaps. Explore key issues in global financial management. (4 marks)

**QUESTION SIX (15 marks)**

- a. Partner analysis consists in determining the extent to which the relationship with the proposed partner is viable and valuable. Explore four assessments required for partner analysis. (5 marks)
- b. In the business world today one can make two observations: first, more and more cross-border alliances are needed as a result of globalisation and with the advent of the 'new economy' and second, most of the alliances fail to achieve their expected results. In consideration of arguments by Rosabeth Moss Kanter (1994), discuss criteria for successful alliances. (5 marks)
- c. Discuss the Effects of the Internet on globalization. (5 marks)