PAN AFRICA CHRISTIAN UNIVERSITY

MASTER OF BUSINESS ADMINISTRATION

END OF TERM EXAMINATION

DEPARTMENT: BUSINESS

COURSE CODE: STM603

COURSE TITLE: GLOBAL COMPETITIVE STRATEGY

EXAM DATE: WEDNESDAY 3rd AUGUST 2016

TIME: 5.30PM-8.30PM

INSTRUCTIONS

- Read all questions carefully before attempting.
- Answer Question One(Compulsory) and any other four questions
- Write your **student number** on the answer booklet provided

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Question One (Compulsory)

Cawi group of companies is a incorporated in Malaysia and has been operating for the last ten been manufacturing years all manner of electronics. The company enjoys a large and stable market share in Malaysia and has due to its large financial base, superior technology and skilled manpower managed to gain competitive advantage over the other manufacturers of similar products. In order to achieve further growth, the board of directors has decided that the company will go international. The board has appointed you the manager in charge of strategy at the company and one of your responsibilities is to decide how the firm will enter a new foreign market. You must decide on the mode of entry and operation in the market.

Required

a) For a start, you have decided to consider exporting as a mode of entry into the new market. Explain to the board of directors what exporting entails, citing its advantages and disadvantages. (14marks)
b) Discuss the case for using licensing as mode of entry (10 marks)
c) As the company continues to grow in international business, explain the typical progression of modes of international entry you would use at each stage. (8 marks)
d) Explain the factors to be considered in arriving at the mode of entry. (8 marks)

Question-Two

Globalization of business, marked by the tremendous movement of people, knowledge, goods and services and technology across borders, propelled by multinational enterprises is now quite entrenched.

a) Discuss four major objectives that lead firms to go into international business (10 marks)
b) Describe the use of global outsourcing as a mode of participating in international business indicating the reasons a firm may opt to use it. (5 marks)

Question-Three

To survive and prosper in the global business environment, a firm must be skillful in how it applies its strategies to compete globally.

a) Distinguish between the use of Multi domestic strategy and Global strategy as international corporate level strategies. (10 marks)
b) What are the advantages of Multi domestic strategy over Global strategy? (5 marks)

Question Four

Although firms can realize many benefits by implementing an international strategy, doing so is complex and can produce greater uncertainty. Discuss the complexities realized in competing internationally. (15 marks)

Question Five

a) By use of examples, distinguish between Regionalism and Multilateralism as applied in international strategic management. (6 marks)
b) Describe three different types of regionalism, citing examples (9 marks)

Question Six

a) Some industries are more suited for globalization than are others. Discuss the drivers that determine an industry's globalization potential. (10 marks)
b) A well-designed global strategy can help a firm to gain a competitive advantage. Describe any five sources of such competitive advantage (5 marks)