

**UGANDA MARTYRS UNIVERSITY**  
**FACULTY OF BUSINESS ADMINISTRATION AND MANAGEMENT**  
**Department of Management Science**  
**Bachelor of Business Administration and Management**  
**IBM 1206: INTERNATIONAL BUSINESS MANAGEMENT**  
**Year Three Semester 1**  
**EXAMINATION**

**Thursday 7<sup>th</sup> December 2023**

**9:30 am -12:30pm**

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**Instructions**

- Answer four questions only.
  - Question one of section A is compulsory and it carries 25 marks
  - Answer any three Questions from section B. Each question from section B carries 25 marks
  - Each question should start on a fresh page
  - Citing of relevant authorities will earn you extra marks
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## SECTION A

1. Read the following passage and attempt the questions that follow

Deepak Kanegaongar's company, Gandh Sugandh, makes a world-class luxury perfume which is sold in some carefully selected Paris department stores. The perfume, which is not available in India, is called Urvashi and retails at around 130 € per handcrafted silvered bottle. Deepak had an ambitious strategy from the beginning; to sell Indian culture in the form of a perfume in Paris, the world capital of fine fragrances. The main ingredient in Urvashi is a precious sandalwood oil, the use of which is strictly controlled by Indian government. The product's image strongly depends on showcasing a sense of mystery and Indian culture: Urvashi is described as "a combination of the creamy scent of sandal with the soft aroma of mogra flowers, evocative of all the sensuality and mystery of eternal India". The brand name, Urvashi, comes from Hindi mythology: Urvashi was one of the beautiful immortal maidens who lived in Paradise and fell in love with a mortal man during her night-time excursions on earth. These exciting stories are used to communicate that the culture and traditions of India are part of the product.

From the beginning of his project, Deepak had to fight hard to get an export license for his perfume, as well to get an import license into France. He also had great difficulties in persuading people that there would be customers for his perfume in Paris, which is a very sophisticated market dominated by major brand names such as the great French and Italian fashion houses of Chanel, Dior, and Versace. Retailers in Paris were convinced that no third world upstart could understand the art of perfume, or the marketing and branding effort it requires.

Some consumers in Europe didn't like the first formulations of the product, and even reported that it had a "doggy" smell when testing it. After continued product development based on consumer feedback, Deepak finally perfected his recipe.

Deepak was able to convince Anne Faure-Sailly, an ex-European Managing Director for Calvin Klein perfumes, to help him in his difficult project of gaining entry to the Paris market. Faure-Sailly used her influence and credibility with French distributors and retailers to get Urvashi into a few Paris department stores just before Christmas. At the same time, Deepak was spending a significant amount of his total budget on advertisements in fashion magazines, such as Vogue and Marie-Claire. Despite its relatively low price point, which did not reflect its positioning as a rare and exclusive perfume, the first batch of Urvashi sold out in only a few days. The same thing happened the following Christmas, when 800 well-presented gift boxes of Urvashi sold out in two weeks. Unfortunately, Deepak was not able to produce and supply enough of his perfume to meet the demand. Urvashi was difficult to produce in significant quantities due to the scarcity of its ingredients, in particular the sandalwood oil.

1(a) what is the unique value proposition (key attributes or benefits that differentiate a product from the competition) of the Urvashi perfume? **(2 marks)**

(b) Explain the main tasks of a marketer that Deepak followed **(4 marks)**

(c) Based on the knowledge you have so far gained on branding, would you say that Urvashi qualifies as a brand? If so why? If not why not? **(3 marks)**



(d) One the main differences between domestic and international marketing is that competition is much tougher in international markets. Deepak wanted to sell his perfume in Paris, where perfumes are almost exclusively sold under the brand names of the great French and Italian fashion houses.

Had Deepak gone through the process of developing an export marketing strategy, what do you think he would have found to be the easier option to success? Give your suggestion **(4 marks)**

(e) Small and Medium Enterprises often face a number of challenges both in Uganda and globally. Even Deepak faced a number of them. Outline any three of such challenges **(6 marks)**

(f) How would firms which aim to export position themselves to tap into the wider market provided at the international level. Give any three ways **(6 marks)**

## **SECTION B**

2 (a) you are aware that international business has some similarities with, and some differences to, domestic business. Based on that, give any **five** reasons as to why managing an international business is different from managing a domestic business. **(5 marks)**

(b) Explain any **five** skills which should be possessed by an international business manager **(10 marks)**

(c) Discuss any **five** reasons for the apparent expansion of international businesses in the world **(10 marks)**

3 (a) Explain how the SWOT analysis of export markets can be useful for an International Business Marketer **(10 marks)**

(b) Discuss in detail any **five** different strategic activities and choices which an export marketer will put in his/her marketing strategy **(15 marks)**

4 (a) Explain the meaning of the term global village in international business **(5 marks)**

(b) Give any five ways in which firms operate in a globalized world **(5 marks)**

(c) Give any five merits which have arisen out of globalization **(5 marks)**

(d) Given the North-South divide in global trade benefits, with majority of the firms in the global north benefiting from international business more than those of the south, describe any five measures that can be taken by the global south to improve the performance of its firms in global trade? **(10 marks)**

5 (a) Describe precisely how the Balance of Payment accounting system operates **(5 marks)**

(b) Outline any four important aspects of the Balance of Payment accounting system  
**(4 marks)**

(c) Discuss any **five** reasons why Uganda continuously experiences Balance of Payment deficits  
**(10 marks)**

(d) Suggest any **three** ways through which the Balance of payment challenges can be offset in Low Developing Countries  
**(6 marks)**

6 (a) Give any **three** reasons as to why an International Business Manager should respond to informal social obligations?  
**(3 marks)**

(b) With reference to specific examples, describe the **five** components which all cultures have  
**(10 marks)**

(c) Describe in detail any **four** areas of Corporate Social Responsibility which an International Business Manager should include in operation of his or her business  
**(12 marks)**

**END**