

UGANDA MARTYRS UNIVERSITY, LUBAGA, MASAKA AND MBALE
CAMPUSES

FACULTY OF BUSINESS ADMINISTRATION AND MANAGEMENT

DEPARTMENT OF MANAGEMENT SCIENCE &
ENTREPRENEURSHIP

MBA PT II

SEMESTER TWO 2023/2024

COURSE UNIT: INTERNATIONAL BUSINESS STRATEGY

CODE: MBA7228

DATE: 7TH OCTOBER, 2023

TIME: 3 HOURS

Instructions:

- Answer **Four** Questions
- Question **ONE** of Section A is compulsory and carries 50 marks.
- Answer any other **THREE** questions from Section B. Each question carries 20 marks
- Write clearly, legibly and give relevant examples.
- **DO NOT** take mobile phones/External materials into the examination room.
- Follow the instructions of the examination supervision.
- Indicate questions answered on the Answer sheet in the column of question.
- Don't write anything on the question paper.

SECTION A. COMPULSORY

Question One

Kenya: An African Lion

The East African nation of Kenya has emerged as one of the economic growth stories of sub-Saharan Africa. Real Gross Domestic Product grew at 4.9 percent in 2017 and 5.9 percent in 2018. Growth for 2019 and 2020 is expected to be in the 6 percent range. Kenya is East Africa's economic, financial, and transportation hub. Major industries include agriculture, mining, manufacturing, tourism, communications, and financial services.

When Kenya won its independence from Britain in 1963, the country embraced what was known at the time as "African Socialism." The principles of African Socialism included social development guided by a large public sector, emphasis on the African identity and what it means to be African, and the avoidance of social classes within society. Practically, this meant significant public investment in infrastructure by state-owned companies, coupled with the encouragement of smallholder agricultural production.

The country also embraced a policy of import substitution, applying high tariffs to foreign manufactured goods in an attempt to foster domestic production. While these policies initially produced some gains, particularly in the agricultural sector, by the early 1990s the economy was stagnating. In 1993, Kenya embarked on a program of economic reform and liberalization that included removing price controls, lowering barriers to crossborder trade, privatizing state-owned enterprises, and the adoption of conservative fiscal and monetary macro-economic policies. Today, the economy of the country is primarily market-based, with relatively low barriers to crossborder trade and investment, and a vibrant private sector. Paralleling economic reforms there have been political reforms. Like many sub-Saharan Africa nations whose boundaries were drawn by colonial powers, the country was left divided between multiple ethnic groups. Political parties reflected these ethnic divides. Tension between ethnic groups often marred Kenyan politics. The largest ethnic group is the Kikuyu, who, while only comprising 22 percent of the population, have held a disproportionate influence over Kenyan politics since independence. Kenya was effectively a one-party state until the early 1990s. Ethnic conflict has continued since then, often spilling over into the political arena. A new constitution introduced in 2010 has

offered the promise of solving some of these long-standing problems. The constitution placed limits on the power of the central government, devolved political power into 47 semi-autonomous regions, and helped create an electoral framework capable of facilitating regular, free, and fair elections. These political reforms have allowed for more democracy, increased business confidence, and helped drive great economic growth in this nation of 50 million people. Looking forward, one of Kenya's great strengths is the relative youth of its population and an educated workforce. Kenya has universal primary education and a respectable secondary and higher-education system. The country also has a growing urban middle class, which will likely drive the demand for goods and services going forward. That being said, the country still faces some significant headwinds. On the economic front, property rights are not strong, with legal title over land often poorly established. This makes it difficult for Kenyans to raise money for business ventures using their land as collateral. More generally, according to the World Bank, Kenyans face multiple problems starting a business due to bureaucratic procedures and corruption. On average, starting a business in Kenya can take 126 days and involves seven separate procedures. By comparison, in South Korea it takes 11 days and involves two procedures. The World Bank ranks Kenya 61 out of 190 nations on the ease of doing business. Corruption and ethnic conflict remain persistent problems. Transparency International ranked Kenya 144 out of 180 nations on its 2018 corruption index. Terrorism is also a problem with Al-Shabab (a militant group based in neighboring Somalia that has links to Al-Qaeda), which launched violent attacks in the capital of Nairobi in 2013 and 2019. Al-Shabab's goal is to avenge Kenyan interventions in Somalia against Al-Shabab. Despite these problems, however, Kenya shows promise in emerging from its post-colonial past and in becoming a dynamic multi-ethnic state with a thriving economy and a more stable democracy.

- (i) "Kenya has emerged as one of the economic growth stories of sub-Saharan Africa, by the early 1990s the economy was stagnating". Explain this trend in terms of Political, Economic and Legal concepts. (20 marks)
- (ii) State the culture elements and illustrate their implications on Kenya's economy. (15 marks)
- (iii) "Balance score card" has become the major tool in measuring performance. Discuss its implications in Kenya's economy with the help of examples. (15 marks)

SECTION B. CHOOSE ONLY THREE QUESTIONS

Question Two

- i) Trace International the International Monetary System. **(10 marks)**
- ii) Foreign direct investment (FDI) remains essential in sub-Saharan. Explain this statement **(10 marks)**

Or explain and describe International Human Resource Staffing Policies and give the methods for retention of employees. **(20 marks)**

Question Three

- (i) Discuss the causes of volatility of exchange rate in African countries and suggest possible solutions. **(10 marks)**
- (ii) Define Agile Supply Chain and discuss problems in Supply chain and how they can be solved. **(10 marks)**

Question Four

Briefly state and explain the Ethical Theories and International Trade Theories. **(20 marks)**

Question Five

- (i) “International business is not like domestic business” What are the factors that are considered in entering foreign market. **(10 marks)**
- (ii) Why do we have different accounting systems globally? **(10 marks)**

Question Six

“Globalisation is un stoppable and it is global World which is flat this is by Fried man in his book the world is flat”explain and discuss this statement in relation to global economy.

Or

- i) Trace and explain different levels of economic integration globally. **(10 marks)**
- ii) Why International Business people make research before entering new market. **(10 marks)**

Question Seven

- i) Describe in details the methods/modes are used by international companies in entering new markets. **(10 marks)**
- ii) Explain the International Business Strategies that are used in carrying out business in global economy. **(10 marks)**