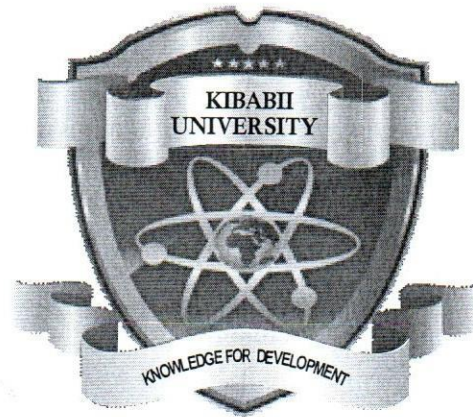


# KIBABII UNIVERSITY



## UNIVERSITY EXAMINATIONS

**2019/2020 ACADEMIC YEAR  
FIRST YEAR SECOND SEMESTER  
SPECIAL/SUPPLEMENTARY EXAMINATION**

**FOR THE DEGREE OF BACHELOR OF BUSINESS  
MANAGEMENT**

**COURSE CODE:   BBM 125**

**COURSE TITLE: INTERNATIONAL BUSINESS**

**DATE: 11/02/2021**

**TIME: 2.00PM-4.00PM**

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### **INSTRUCTION TO CANDIDATES**

- 1) The paper contains **FIVE** questions
- 2) Attempt **THREE** questions
- 3) Question **ONE** is Compulsory

**TIME: 2 Hours**

**KIBU observes ZERO tolerance to examination cheating**

## CASE STUDY

### QUESTION ONE (COMPULSORY)

Voters in the UK voted in favour of Brexit from the European Union (EU)-a large trading block in Europe, where their leaders have been negotiating on the terms of British departure. Although it may take years for the full consequences to become clear, this exit may affect the British economy, immigration policy, and lots more. However, for a majority of businesses in Britain the possibility of UK leaving the EU is a major source of concern.

Required;

- a) Briefly explain the impact of Brexit on the relationship between Britain and Kenya [10 marks]
- b) Describe the options available to the British firms in their quest to enter the EU market after Brexit [10 marks]
- c) What looks good as a generalization sometimes doesn't follow. The world is certainly becoming more globalized, yet some countries such as Britain seem to suggest that the global village is not certainly good for us or will it ever be,' Briefly explain any Five reasons for Britain's localization of business operations [10 marks]

### QUESTION TWO

- a) After completing your course in International Business Management, you may not secure a top level management position in a global firm either immediately, or in the near future. Briefly explain Five reasons why it is important to take a course in International Business Management at Kibabii University [10 marks]
- b) Participation in cross border transactions poses some unique legal concerns for many companies in Kenya. Hence, the legal professionals in these companies need to pay continued attention to these management issues. Briefly explain Five legal issues linked to international business operations [10 marks]

### QUESTION THREE

- a) Akaka tyre Limited is a local firm that manufactures tyres in Bungoma town. The firm does not wish to sell its tires beyond the Kenyan markets. Briefly explain the benefits that Akaka Ltd is likely to miss out by not going global [10 marks]
- b) Discuss how each of the following market entry strategies can be used to enhance a firm's competitive advantage abroad [10 marks]
  - i) Strategic alliance
  - ii) Franchising
  - iii) Foreign direct investments

### QUESTION FOUR

- a) Discuss any five major forces behind globalization of business organization [10 marks]
- b) Describe any five drivers of globalization in relation to the Kenyan commodities [10 marks]

**QUESTION FIVE**

- a) Explain the following trade theories
  - i) Product life cycle theory [5 marks]
  - ii) Green fields investment theory [5 marks]
- b) There are four main areas from which a set of strategic decisions in the Marketing mix are made by the organizational management. Briefly discuss them [10 marks]