KENYATTA UNIVERSITY

UNIVERSITY EXAMINATIONS 2017/2018
DIGITAL SCHOOL OF VIRTUAL AND OPEN LEARNING
SECOND SEMESTER EXAMINATION FOR THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION

BBA 861: GLOBAL STRATEGIC MANAGEMENT

DATE: Tuesday, 19th June 2018 TIME: 9.00a.m-12.00p.m

INSTRUCTIONS: Answer question **ONE** and any other **THREE** questions.

QUESTION ONE

Read the case below and answer the questions that follow

Sony Ericsson is a joint venture company between Sony and Ericsson. Sony is expert in providing core technologies like LCD displays, audio and digital photography. Sony is always famous for high quality and innovative design. Ericsson brings with them the years of mobile phone experience with them. The invention of mobile phones and Ericsson is closely related. The joint venture is just poised to be a winning combination. Sony Ericsson is all set to splash the mobile market. Those days are not very far when Sony Ericsson will dominate the mobile world.

Sony Ericsson Mobile Communications was established as a 50:50 joint venture by Sony and Ericsson in 3rd October 2001, by the Japanese consumer electronics company Sony Corporation and the Swedish telecommunications company Ericsson to make mobile phones with global corporate functions located in London. The company serves the worldwide communications market with innovative and feature-rich mobile phones, accessories and PC-cards, and it has Research & Development teams in Europe, Japan, China, Sweden, Germany, India, Pakistan and America. Sony Ericsson is the title sponsor of the Women's Tennis Association, and works with the Association to promote the Sony Ericsson WTA Tour in over

80 cities during the year. By 2007, it was the fourth-largest cellphone manufacturer in the world after Nokia, Motorola and Samsung. The sales of products largely increased due to the launch of the Walkman series.

Sony Ericsson is a top global industry player with sales of over 100 million phones in 2007. Diversity is one of the core strengths of the company, with operations in over 80 countries including manufacturing in China and R&D sites in China, Europe, India, Japan and North America. The company's management is based in London, and it has employees across the globe working on research, development, design, sales, marketing, distribution and support.

Mobile phones have a high demand because mobile phone users are increasing day-by- day and that too all over the world. By using a great mobile phone, we can change our whole life because phones are not only a communication device at that time. They have become as completely multimedia-oriented gadgets, which comes with many useful features. Sony Ericsson is one of the leading mobile phone company in the global. It is popular company in the terms of producing high-end handsets that are enhanced with high-tech features. The handsets of Sony Ericsson are very impressive gadgets capable of connecting with other gadgets with several alternative means. The mobiles are updated with the latest features and that really brings entertainment in the life of users.

Questions

i) Provide an account on the reasons that could have triggered the strategic move made by Sony Erickson in order to position itself as a major competitor in telecommunication technology globally (6 marks)

ii) Critically evaluate the emerging issues that management of Sony Erickson would have to contend with given the scope of the company's operations (8 marks)

iii) Using Porter's Model, discuss the determinants of Sony Erickson's competitive advantage? (8 marks)

iv) Noting that a good market is one whose circumstances or environment fits the resources of the firm, examine how the management of Sony Erickson can use the General Electric Model in selection of other foreign markets to invest in (8 marks)

QUESTION TWO

a) Discuss the major approaches to locus of decision making and control in international business. (4 marks)

b) ABC Ltd is a Kenyan company whose operations are confined to its Kenyan domestic market. The company does not have any foreign business interests. Does global business knowledge have any relevance for ABC Ltd. Explain (6 marks)

QUESTION THREE

a) "The concept of globalization of a firm can barely be understood only in terms of a firm's market spread abroad" Discuss (5 marks)

b) Nationalism remains a big challenge to multinational firms in foreign markets. Explain the strategies you would use to counter the challenge. (5 marks)

QUESTION FOUR

Discuss the economic factors that can be used by management of international firms to gauge investment climate in a country (10 marks)

QUESTION FIVE

Howard V. Perlmutter is credited with developing the EPG model which is widely applied in management of multinational companies. Discuss the dimensions and applications of this international business model (10 marks)