



Kasarani Campus
Off Thika Road
Tel. 2042692 / 3
P. O. Box 49274, 00100
NAIROBI
Westlands Campus
Pamstech House
Woodvale Grove
Tel. 4442212
Fax: 4444175

KIRIRI WOMENS' UNIVERSITY OF SCIENCE AND TECHNOLOGY
UNIVERSITY EXAMINATION, 2024/2025 ACADEMIC YEAR
THIRD YEAR, FIRST SEMESTER EXAMINATION
FOR THE DEGREE OF BACHELOR OF SCIENCE
(BUSINESS ADMINISTRATION)

Date: 15th August, 2024
Time: 11.30am – 1.30pm

KBM 2300 FUNDAMENTALS OF INTERNATIONAL BUSINESS

INSTRUCTIONS TO CANDIDATES

ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS

QUESTION ONE (30 MARKS)

TOSHIBA COMPANY

Toshiba firmly believes that a single company cannot dominate any technology or business by itself. Toshiba's approach is to develop relationships with different partners for different technologies. Strategic alliances form a key element of Toshiba's corporate strategy. They helped the company to become one of the leading players in the global electronics industry. In early 1990s Toshiba signed a co-production agreement for light bulb filaments with GE. Jack Welch, the legendary former CEO of GE, was a Toshiba's admirer. According to him, a phone call to Japan was enough to sort out problems if and when they arise, in no time. Since then, Toshiba formed various partnerships, technology licensing agreements and joint ventures. Toshiba's alliance partners include Apple Computers, Ericsson, GE, IBM, Microsoft, Motorola, National Semi Conductor, Samsung, Siemens, Sun Microsystems and Thomson. Toshiba formed an alliance with Apple Computer to develop multimedia computer products. Apple's strength lay in software technology, while Toshiba contributed its manufacturing expertise.

Toshiba created a similar tie-up with Microsoft for hand held computer systems. In semiconductors, Toshiba, IBM and Siemens came together to pool different types of skills. Toshiba was strong in etching, IBM in lithography and Siemens in engineering. The understanding among the partners was limited to research. For commercial production and marketing the partners decided to be on their own. In flash memory, Toshiba formed alliances with IBM and National Semi Conductor. Toshiba's alliance with Motorola has helped it become a world leader in the production of memory chips. The tie-up with IBM has enabled Toshiba to become a world's largest supplier of color flat panel displays for notebooks. Toshiba believes in a flexible approach because some tension is natural in business partnerships, some of which may also sour over time. Toshiba executives believe that the relationship between the company and its partner should be like friends, not like that of a married couple. Toshiba senior management is often directly involved in the management of strategic alliances. This helps in building personal equations and resolving conflicts.

Required

- i) Trace the benefits that Toshiba gained from forming an alliance with its partners. (6mks)
- ii) From the case above , establish the features of an international business. (6mks)
- iii) Outline the factors that Toshiba marketers should consider when marketing their products internationally. (6mks)
- iv) Explain the criteria that Toshiba might have considered in selecting MODE of going global. (6mks)
- v) Discuss three instruments of International Monetary Fund that Toshiba may utilize to seek financial assistance. (6mks)

QUESTION TWO (20 MARKS)

- a) Discuss the challenges facing operations of international businesses (8 mks)
- b) Explain the meaning of the following terms as used in international business
 - i) Foreign direct investment (FDI)
 - ii) Trade deficit
 - iii) Strategic alliance
 - iv) Multinational corporation (MNC) (8 mks)
- c) Explain how a country can measure its international trade among nations (4mks)

QUESTION THREE (20 MARKS)

- a) Classify the various types of organizational structures that can be adopted by international business organizations. (8mks)
- b) Identify and explain the entry strategies that businesses can employ in their quest to enter global markets (8mks)
- c) Outline the opportunities that are available to businesses when they expand globally. (4mks)

QUESTION FOUR (20 MARKS)

- a) Describe the historical development of international businesses. (6mks)
- b) The debate about the extent to which countries should control the flow of foreign goods and investments across their borders is as old as international trade itself. State and explain the various types of trade restrictions that countries can impose to control flow of foreign goods and investments. (8mks)
- c) Discuss the role of Kenyan Government in promoting international marketing. (6mks)

QUESTION FIVE(20 MARKS)

- a) Success in international business means understanding a wide range of different environments. Briefly discuss the global business environment. (8mks)
- b) Summarise the various initiatives that can be adopted to reduce international trade barriers. (8 mks)
- c) Highlight the factors that are contributing to fast growth of international business. (4mks)