

Roll No.

Total No. of Pages : 03

Total No. of Questions : 17

MBA (IB) (Sem.-4)
GLOBAL BUSINESS STRATEGY

Subject Code : MBA-IB-401-18

M.Code : 77800

Date of Examination : 05-07-22

Time : 3 Hrs.

Max. Marks : 60

INSTRUCTIONS TO CANDIDATES :

1. **SECTION-A** contains **EIGHT** questions carrying **TWO** marks each and students has to attempt **ALL** questions.
2. **SECTION-B** consists of **FOUR** Subsections : Units-I, II, III & IV. Each Subsection contains **TWO** questions each carrying **EIGHT** marks each and student has to attempt any **ONE** question from each Subsection.
3. **SECTION-C** is **COMPULSORY** and consist of **ONE** Case Study carrying **TWELVE** marks.

SECTION-A

1. Importance of global business strategy.
2. Strategic thinking in global context.
3. Strategic alliances.
4. Strategic control.
5. International diversification.
6. Restructuring strategy.
7. Competitive advantage in global context.
8. Global management of change.

SECTION-B

UNIT-I

9. Enlist and explain institutional, cultural and ethical issues in global business strategy formulation.
10. Explain theories of international strategy. Give their critical appraisal also.

UNIT-II

11. How strategic managers do manage political risk? Discuss in detail with the help of suitable example.
12. Write a comprehensive note on performance evaluation as mechanism of strategic control.

UNIT-III

13. Write a detailed note on strategic issues in corporate restructuring.
14. Explain the importance of various corporate level strategies in current global competitive environment.

UNIT - IV

15. Elaborate on the important aspects of competing in technological environment with the help of suitable examples.
16. Explain and differentiate national and regional economic development strategies.

SECTION-C

17. Case Statement :

Globalization is no longer a privilege of large corporations. There are many reasons why small businesses (SMEs) serve cross-border markets. Before implementing an international expansion strategy, it is important to understand that a company is ready to engage in international business. Due to the saturation of the domestic market and the reliance on a small number of large customers, most SMEs require international involvement in the B2C market. Staying abroad is also a matter of fame for SMEs. New global competition brings many opportunities and a natural perception of growth

potential in foreign markets. Brave companies will ultimately acquire new skills and technologies from overseas expansions that enable them to be competitive. In addition, the expansion of international markets helps to diversify risks by diversifying into the various cost and profit structures of businesses in foreign markets. Market selection and entry modes are key to successful product/service deployment abroad. Avoiding due diligence in market and entry method choices, as there are as many countries around the world as body bones, SMEs make high payments with low sales and other unexpected complexity. Market size and growth research, competitive analysis, new product development, business environment, regulation, market access (infrastructure, internet, retail environment, channel partners), macroeconomic stability (economic and Consumer factors) can affect the market, revenue and profit potential.

In seemingly similar countries, there can be significant differences in market potential. Once SMEs are aware of potential demand pockets, they need to determine the appropriate entry mode by weighing the risks and controls of market operations in order to reach and penetrate them. Choosing the best foreign market entry strategy is summarized in Investment vs. Management. If the SME is overly dependent on the foreign agent (distributor), the SME will lose control of its marketing strategy. They lack the willingness to take the necessary resources or risks. Market access factors such as legal restrictions and distributor/partner availability in the host country also play an important role. Indirect exports require less investment and less risk. Traditional SMEs use the services of export control companies, while modern SMEs start with an E-commerce route. However, direct exports are exposed to cultural, currency and trade risks. Contracting strategies such as licensing, franchising, or Joint ventures are medium risky. The product/service type also plays a crucial role in such decisions since some offerings require an efficient after sales service and continuous consumer interaction. In such cases, direct ownership will be more suitable. However, 100% ownership is more intensive in time and money and allows more control. Usually, SMEs should employ different market entry modes for various markets since 'one size does not fit all'. The choice of entry mode should depend on the market potential so that the potential price is commensurate with the large investment.

Questions :

- (i) Why are SMEs interested in international expansion strategy? Explain in detail.
(6 marks)
- (ii) In the light of the case, discuss the issues with SMEs in selecting market entry modes?
(6 marks)

NOTE : Disclosure of Identity by writing Mobile No. or Marking of passing request on any paper of Answer Sheet will lead to UMC against the Student.