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**GARISSA UNIVERSITY**

**UNIVERSITY EXAMINATION 2020/2021 ACADEMIC YEAR FOUR**

**SECOND SEMESTER EXAMINATION**

**SCHOOL OF BUSINESS AND ECONOMICS**

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

**COURSE CODE: BBM 463**

**COURSE TITLE: GLOBAL BUSINESS MANAGEMENT**

**EXAMINATION DURATION: 2 HOURS**

**DATE: 07/04/2021 TIME: 3.00-5.00 PM**

**INSTRUCTION TO CANDIDATES**

* **The examination has FIVE (5) questions**
* **Question ONE (1) is COMPULSORY**
* **Choose any other TWO (2) questions from the remaining FOUR (4) questions**
* **Use sketch diagrams to illustrate your answer whenever necessary**
* **Do not carry mobile phones or any other written materials in examination room**
* **Do not write on this paper**

**This paper consists of THREE (3) printed pages *please turn over***

**QUESTION ONE (COMPULSORY)**

**LENOVO A GLOBAL BRAND**

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| --- | --- | --- | --- | --- | --- | --- |
| Lenovo believed that in order to become a global brand, it was not enough to just be identified as a global firm. Establishing a presence in more developed and highly globalized areas such as the US and Europe was essential for Lenovo’s overall strategy. During this time, in 2002, the Chinese government announced its ‘go global’ policy. This policy encouraged Chinese companies that had the capability and expertise to expand abroad.  Lenovo was quick to respond to this government initiative. However, the company soon realized challenges to its global expansion: it did not have a brand name that was recognizable worldwide, a strong presence in the world market, or the human talent to run and manage a global company. | |  | | --- | |  | |  | |  | |  | |  | |

In the 1990s, Lenovo was the first company to introduce the home computer concept in China and grew into a national company cornering a market share of 27 percent in the domestic market. Lenovo’s competency stood in its deep understanding of the domestic market and quick response to local demands of the consumers........

Despite ruling the Chinese PC market, Lenovo suffered a setback due to the global economic slowdown in mid-2008 which led to Lenovo posting a loss of US$ 226 million. During this time, the company’s CEO William Amelio stepped down in favor of Yuanqing, who took over as CEO, while Chuanzhi returned assuming the role of Chairman......

The company’s Protect and Attack strategy started reaping benefits in 2010. The company said that for the FY ended March 2011, its profits had risen to US$ 273 million from US$ 129.4 million in 2010. The company’s global sales also increased by 30 percent to US$ 21.6 billion during the same period. While China contributed to 46.4 percent of its sales, or US$ 10 billion, other emerging markets contributed 17.9 percent, or US$ 3.9 billion. ......

According to a survey in 2009 by Shaun Rein, head of China Market Research Group, on Chinese consumers’ brand perceptions, “Five years ago, consumer satisfaction rates of Lenovo were extremely high–consumers felt proud that China had a global brand in consumer electronics that they felt was better than Dell and HP and closer to the Chinese consumer.” But as Lenovo neglected the Chinese market to focus on other markets from 2006-2009, domestic consumer satisfaction rates began to decline......

In April 2013, Lenovo restructured itself into two business groups – Lenovo Business Group and Think Business Group –in a bid to target mainstream (PC, laptop, and tablet) and high-end segments respectively. According to Yuanqing, the restructuring aimed at streamlining operations and management to better fit the company’s expanding business worldwide. The company positioned the Think brand to compete against Apple and planned to open fancy showrooms like Apple’s.

**Required**

**QUESTION ONE**.

1. Analyze the forces behind globalization as indicated in the case above. **(10marks)**
2. Explain the challenges encountered by LENOVO in his global brand **(10marks**)
3. Describe the stages of economic development as presented by Walt Rostow **(10marks**)

**QUESTION TWO**

1. Evaluate the international business environment as discussed in a global business management. **(10marks)**
2. Establish the ethical issues that exist in an international business environment **(10marks)**

**QUESTION THREE**

1. Discuss the various theories of international trade and give their examples **(10marks)**
2. Identify with explanation the international entry strategies adopted by international in global business management (**10marks)**

**QUESTION FOUR**

1. Examine reasons why companies are motivated to invest their capital abroad **(10marks)**
2. Discuss the limitations that global firms encounter while pricing their products and services  **(10marks)**

**QUESTION FIVE**

1. Describe the characteristics of a multi-National Corporation firm in global business management **(10marks**)
2. Analyze the conflicts that may exist between Multi National Corporation and host Country **(10marks)**