



POST GRADUATE UNIVERSITY EXAMINATIONS
SCHOOL OF MANAGEMENT AND LEADERSHIP
DEGREE OF MASTER OF BUSINESS ADMINISTRATION

SMO 501: INTERNATIONAL STRATEGIC MANAGEMENT

DATE: 30TH MARCH 2026

DURATION: 3 HOURS

MAXIMUM MARKS: 60

INSTRUCTIONS:

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **FOUR (4)** questions.
4. Question **ONE is compulsory.**
5. Answer any other **TWO** questions.
6. Question **ONE** carries **30 MARKS** and the rest carry **15 MARKS** each.
7. **Write all your answers in the Examination answer booklet provided**

QUESTION ONE

Read the Case Study below carefully and answer the questions that follow:

GLOBAL ARTISAN CONNECT (GAC)

Global Artisan Connect (GAC) is a small e-business founded five years ago. Its mission is to connect artisans from developing countries in Latin America and Southeast Asia with consumers in North America and Europe. GAC operates on a "Marketplace Hosting" model, providing an online platform where artisans can list their tangible goods, such as textiles, pottery, and jewelry. GAC takes a commission on each sale in exchange for managing the website, processing payments, and offering marketing support.

The company's operations are heavily reliant on its e-business platform, which was developed in-house on a modest budget. However, GAC has never formalized an e-business strategy. Its website functions primarily as an online catalog and payment portal, with limited integration between its supply chain management, customer service, and inventory systems. This has led to occasional issues, such as selling items that are out of stock and delays in communication with both artisans and customers, resulting in a poor customer experience. GAC operates in a complex international environment. In several of its sourcing countries, GAC faces significant political instability and the risk of unpredictable government policy changes. Some governments have imposed high import tariffs on necessary raw materials and created complex customs procedures that delay shipments.

Dealing with local officials has also proven difficult; on several occasions, GAC's local partners have hinted that "facilitating payments" might be needed to expedite routine government actions like processing export licenses, a practice GAC is wary of due to its home country's strict laws like the Foreign Corrupt Practices Act (FCPA). Economically, GAC is

exposed to constant currency exchange rate fluctuations, which affect both the prices paid to artisans and the final cost to consumers. Furthermore, the technological infrastructure in some of the rural areas where artisans work is poor, leading to unreliable internet access and communication challenges. Culturally, language differences have caused misunderstandings in product specifications and business agreements.

Recently, a new, well-funded competitor, "TerraCrafts," has emerged. TerraCrafts uses a highly integrated e-business platform with advanced features like real-time inventory tracking, a sophisticated Customer Relationship Management (CRM) system, and a "freemium" model that offers free content on artisans' stories while charging a premium for exclusive product access. GAC's management now realizes they must think more strategically about both their external environment and their e-business model to survive and grow.

Required:

- a) Using the PEST (Political, Economic, Social, and Technological) analysis framework, analyze the key macro-environmental challenges GAC faces in its international operations. Use specific examples from the case study to support your analysis.

(10 Marks)

- b) Evaluate the potential consequences for GAC resulting from its absence of a formal e-business strategy and examine what a new e-strategic plan for GAC should address to compete with TerraCrafts.

(10 Marks)

- c) Propose a set of strategies that GAC can employ to lessen its political vulnerability in its sourcing countries. Your proposal must integrate e-business solutions as part of the mitigation strategy.

(10 Marks)

QUESTION TWO

- a) Evaluate the claim that international business is essential for national economic well-being, citing multiple benefits.

(6 Marks)

- b) A firm is considering expanding into a new international market. Evaluate how Porter's Diamond Model and the CAGE Distance Framework could be used in conjunction to assess the competitive position of the target nation and the potential challenges the firm might face.

(9 Marks)

QUESTION THREE

- a) A manufacturing firm with limited international experience wants to enter a politically stable, high-sales-potential foreign market. Evaluate the suitability of Exporting, Licensing, Joint Ventures, and Wholly Owned Subsidiaries (Direct Investment) as entry modes for this firm, recommending the most appropriate strategy with justification.

(9 Marks)

- b) Using PESTEL (Political, Economic, Social, and Technological) analysis as a framework, analyze the macro-environmental forces an international firm must consider. For each factor, provide specific examples of variables that need to be scanned.

(6 Marks)

QUESTION FOUR

- a) Evaluate the potential consequences for a company that operates without a formal e-business strategy in the modern business environment.

(7 Marks)

- b) You are a consultant for a Small and Medium-sized Enterprise (SME) in the manufacturing sector. Outline the key steps of a Green Strategic Management process that the SME should follow to improve its environmental performance and gain a competitive edge, based on the framework.

(8 Marks)