The Management University of Africa

Sponsored by the Kenya Institute of Management

POSTGRADUATE UNIVERSITY EXAMINATIONS

SCHOOL OF MANAGEMENT AND LEADERSHIP

DEGREE OF MASTER OF BUSINESS ADMINISTRATION

SMO 501: INTERNATIONAL STRATEGIC MANAGEMENT

DATE: 28TH JULY 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:

AFRITECH SOLUTIONS LTD

AfriTech Solutions Ltd is a medium-sized technology company headquartered in Kenya that specializes in financial technology and digital payment solutions. After achieving considerable success within East Africa, the company's management resolved to expand its operations into Europe, Asia, and South America. The management believed that globalization, digital communication systems, and growing international demand for financial technology services would provide the organization with significant growth opportunities.

Initially, the organization adopted a gradual internationalization approach by entering neighbouring African markets through exporting and strategic partnerships. However, following increased global demand for its digital platforms, senior management began considering a rapid internationalization strategy similar to the born global approach. Some executives argued that the company should immediately penetrate multiple international markets simultaneously in order to maximize market opportunities and recover high research and development costs.
Despite these opportunities, the company encountered several challenges while attempting to internationalize its operations. In Europe, strict legal and administrative regulations delayed licensing approvals and increased operational costs.

In Asia, cultural differences influenced customer preferences and communication styles, making it difficult to standardize marketing strategies. In South America, poor transport infrastructure and geographical barriers disrupted service delivery and market coordination. Additionally, variations in purchasing power and economic conditions

affected pricing strategies across different countries. The Board of Directors further disagreed on the most suitable international business strategy to adopt. Some managers preferred a global strategy that emphasized standardized products and centralized operations, while others advocated for a multi-domestic strategy that focused on local responsiveness and product customization. A third group recommended the adoption of a transnational strategy in order to balance global efficiency with local market adaptation.

The Chief Executive Officer has therefore requested a comprehensive review of the organization's internationalization strategy, market entry decisions, and global expansion framework before further investments are made.

Required:

a) Historical pathways of internationalization continue to influence modern multinational enterprises. Analyze FIVE factors that justify AfriTech Solutions Ltd's consideration of the born global approach. **(10 Marks)**

b) International business environments are characterized by several dimensions of distance that influence global operations. Assess the challenges faced by AfriTech Solutions Ltd using the CAGE Distance Framework. **(10 Marks)**

c) Modern multinational firms are expected to balance global integration with local responsiveness. Recommend appropriate international business strategies that AfriTech Solutions Ltd may adopt in order to strengthen its global competitiveness. **(10 Marks)**

QUESTION TWO

a) International organizations engage in cross-border activities through different operational arrangements. Critically examine four forms of international business. **(8 marks)**

b) Entry strategies continue to influence the success of firms within foreign markets. Classify seven modes of entry into international business. **(7 marks)**

QUESTION THREE

a) Multinational corporations are expected to manage uncertainty within politically unstable environments. Appraise six strategies Multi-National Companies can apply to minimize political risks and vulnerability. **(6 marks)**

b) Organizations operating internationally require continuous assessment of the external environment. Differentiate and explain three methods of scanning the international business environment. **(6 marks)**

c) International organizations frequently encounter cross-cultural and operational differences in global markets. Explore three factors considered during reconciliation of international differences. **(3 marks)**

QUESTION FOUR

a) Sustainable competitive advantage increasingly depends on environmentally responsible business practices. Assess six factors that green strategies must address in order to achieve competitive advantage. **(6 marks)**

b) Modern organizations continue to rely on digital systems to strengthen global competitiveness. Critique what a modern e-business strategy would normally entail. **(9 marks)**