PAN AFRICA CHRISTIAN UNIVERSITY

BACHELOR OF COMMERCE/BUSINESS LEADERSHIP

END OF TERM EXAMINATION (MAY-JULY 2016)

CAMPUS: ROYSAMBU-EVENING

DEPARTMENT: BUSINESS

COURSE CODE: BUS 4012|BCM 308

COURSE TITLE: INTERNATIONAL BUSINESS MANAGEMENT

EXAM DATE: MONDAY 1st, AUGUST 2016

TIME: 5.30PM-8.30PM

INSTRUCTIONS

- Read all questions carefully before attempting.
- Write your **student number** on the answer booklet provided.
- Answer only **Five** (5) questions: **Question 1** is compulsory.

QUESTION ONE: (COMPULSORY)

Read the case study about Coca-Cola Company and answer question **ONE** and **TWO**

<u>COCA-COLA COMPANY</u>

The Coca-Cola Company is the world's largest producer and distributor of soft drinks. Its lead brand, Coca-Cola, is undeniably a global product. In 1989 Coca-Cola sold more than 559 million soft drink servings to the customers in over 160 countries. Its global revenues totaled more than $9.0 billion. At the close of 1980s, Coke commanded a 48.5 percent international market share and was outselling its closest competitor by nearly four to one.

Unlike some "high-tech" companies whose products come and go, Coke has been around for over 100 years since it beginning in Atlanta in 1886. A product that old should be about as mature as a product can be-at least, that's the conventional wisdom. But not so in Coke's case! In the 1980s, the Company introduced several variations of the basic product, especially Diet Coke (a product marketed under the "Coke Lite" brand in Japan where consumers are not so weight-conscious), which have resulted in new growth as new market segments were identified and served. Moreover, its international markets are growing at rates beyond that of its traditional home market, the United States. That's why Coke plans to focus even more on international markets in future. The situation is really quite simple. Sales of soft drinks are income-driven. As societies income grows, so also will their consumption of soft drinks-and Coke is a big player in the soft drink market. Why is Coke a big player? The answer is Coke's secret formula and its system that global production and distribution network kept vibrant by coke's global expertise in management and marketing.

Coca-Cola concentrate is made in several key countries strategically located around the globe. This concentrate is sold to bottle and/or distributors in just about every country. Coca-Cola also supplies bottles with marketing support and production and water purification technologies based on parent-company-provided research and systems designs. Bottlers conduct local market research, provide for sales financing, and handle distribution and promotion. Coke may well be a global product, but it takes a well organized team effort to deliver it to customers around the world.

QUESTION ONE (A)

a) Define international business management (2mks)

b) Discus five factor s that makes coca cola company an international business (10mks)

c) Explain four characteristics of coca cola company (8mks)

QUESTION ONE (B)

i. Imagine you are the CEO of Coca-Cola Kenya. Discuss five factors that you will implement to improve its bottom-line in three years (10mks)

ii. You have been invited to Eveready Batteries Company that deals with dry cells. Explain at least five methods that you will implement to avoid the company going out of business and closing down (10mks)

QUESTION TWO

a) Differentiate integrity from morality (4mks)
b) Discuss three benefits of moral activities for a company (6mks)
c) Name five disadvantaged of practicing immoral activities in a company (5mks)

QUESTION THREE

a) List five known strategies adopted in the international business companies (5mks)
b) Discuss five sources of finance for international business (10mks)

QUESTION FOUR

a) Give five Ps in marketing (5mks)
b) Discuss the 4ps are they necessary for any company (8mks)
c) Briefly discus why contribution is not a 'P' (2mks)

QUESTION FIVE

a) The tem international business management can be explain through POD and COB. Discuss the acrimony (12mks)
b) Give three examples of the above (3mks)

QUESTION SIX

Explain the following

a) Management creativity (5mks)
b) management innovations (5mks)
c) W.T.O (5mks)