

**FACULTY OF BUSINESS**

**FINAL EXAMINATION**

Student ID (in Figures) :

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Student ID (in Words) :

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Course Code & Name : **MGT5123 STRATEGIC MANAGEMENT AND DEVELOPMENT:  
INTERNATIONAL BUSINESS AND CORPORATE STRATEGY**  
Semester & Year : May - August 2022  
Lecturer/Examiner : Associate Professor Dr. Akram Al-Khaled  
Duration : 3 Hours

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**INSTRUCTIONS TO CANDIDATES**

1. This question paper consists of one part:

**PART A (100 marks) : Answer only FIVE (5) essay questions out of 7 questions given. Answers are to be written in the Answer Booklet provided.**

2. Candidates are not allowed to bring any unauthorized materials except writing equipment into the Examination Hall. Electronic dictionaries are strictly prohibited.
3. This question paper must be submitted along with all used and/or unused rough papers and/or graph paper (if any). Candidates are NOT allowed to take any examination materials out of the examination hall.
4. Only ballpoint pens are allowed to be used in answering the questions, with the exception of multiple choice questions, where 2B pencils are to be used.

**WARNING:** The University Examination Board (UEB) of BERJAYA University College regards cheating as a most serious offence and will not hesitate to mete out the appropriate punitive actions according to the severity of the offence committed, and in accordance with the clauses stipulated in the Students' Handbook, up to and including expulsion from BERJAYA University College.

**Total Number of pages = 3 (Including the cover page)**

**PART A : ESSAY QUESTIONS (100 MARKS)**

**INSTRUCTION(S) :** Answer **ONLY FIVE (5)** questions. Answers are to be written in the Answer Booklet(s) provided.

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**Question 1**

Foreign direct investment (FDI) is an integral part of an open and effective international economic system and a major catalyst to development. Examine how FDI can benefit the host country with access to technology, management skills, and employment.

(20 marks)

**Question 2**

Subsidiaries based overseas are known as foreign-owned subsidiaries. Establishing an overseas subsidiary provides you with several benefits, but it also presents some drawbacks. Determine **FIVE (5)** benefits of establishing a subsidiary in a foreign market.

(20 marks)

**Question 3**

A Free Trade Area (FTA) refers to a specific region wherein a group of countries signs a trade agreement that seals the economic cooperation among them. Critically debate why governments impose restrictions on free trade.

(20 marks)

**Question 4**

A feasibility study assesses the practicability of a specific project within a specific context and in regard to specific set of criteria and factors to be chosen. It helps organizations to decide whether a project should start or not, or what parameters have to be changed in order to implement it. Suggest **FIVE (5)** crucial feasibility criteria that companies should consider before venturing into a new project.

(20 marks)

### Question 5

Sun Tzu's Art of War quoted that "All men can see these tactics whereby I conquer, but what none can see is the strategy out of which victory is evolved." This statement implies that tactics without strategy will cause failure in the delivery of outcome. Assess **FOUR (4)** tactical errors that may be often observed by unsuccessful organizations when implementing strategies.

(20 marks)

### Question 6

Evaluate the following statement: "Strategic management assures long-run organizational viability because it is a process of predicting the future based on interpretation of today's trends and signs, which helps the organizational leadership select the right direction for stability and growth."

(20 marks)

### Question 7

a) Different automobile companies have internationalized in different ways. Toyota has expended organically, establishing subsidiaries in overseas markets. Ford went through a phase of acquisition (buying Volvo, Jaguar, Land Rover, and a major stake in Mazda). General Motors has favoured strategic alliance. Explain **FIVE (5)** disadvantages of Global Strategic Alliances.

(10 marks)

b) Diversification is the art of entering product markets different from those in which the firm is currently engaged in. It is also a growth strategy that involves entering into a new market or industry - one that your business doesn't currently operate in - while also creating a new product for that new market. Describe **FIVE (5)** drawbacks of unrelated diversification.

(10 marks)

**(Total: 20 marks)**

**END OF EXAM PAPER**