



**NAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY**

**FACULTY OF COMMERCE, HUMAN SCIENCES AND EDUCATION
DEPARTMENT OF MANAGEMENT**

QUALIFICATION: BACHELOR OF MANAGEMENT	
QUALIFICATION CODE: 07BBMA	LEVEL: 8
COURSE CODE: GBM811S	COURSE NAME: GLOBAL BUSINESS MANAGEMENT
SESSION: JUNE 2022	PAPER: 1
DURATION: 3 HOURS	MARKS: 100

FIRST OPPORTUNITY EXAMINATION QUESTION PAPER	
EXAMINER(S)	Dr A Asa Ms O.N Kangandjo
MODERATOR:	Mr M B Simasiku

THIS QUESTION PAPER MEMO CONSISTS OF 4 PAGES (Including this front page)

INSTRUCTIONS	
1.	Answer all questions .
2.	Read all the questions carefully before answering.
3.	Marks for each question are indicated at the end of each question.
4.	Please ensure that your writing is legible, neat and presentable and start each Section on a new page.

PERMISSIBLE MATERIALS

1. Examination question paper
2. Examination answer sheet

SECTION A

Question 1

[78 Marks]

- 1.1 Managing an international business is different from managing a purely domestic business. Do you agree or disagree? Motivate your answer. (4)

- 1.2 “The whole world is a potential market for your products”. Discuss any five market entry (modes of entry) strategies that a company can use to exploit this potential. (10)

- 1.3 What are the factors that influence the political economy of a country and thus contributing to its attractiveness as a market or investment site? (6)

- 1.4 International business involves people from different cultures. Thus, implying that the execution of every business function is subject to possible cultural differences. Describe the six dimensions of culture as identified by Geert Hofstede. (18)

- 1.5 The past two decades have witnessed a proliferation of regional trade blocs that promote regional economic integration. Describe the different levels of regional economic integration, detailing how each operates. (20)

- 1.6 Consider the firm in terms of a value chain. What is the difference between primary activities and support activities? Provide examples of each. (10)

- 1.7 Discuss the utilitarian approach to business ethics. What are its drawbacks? (10)

Question 2

[22 Marks]

Read the case below and answer questions thereafter.

Economic Transformation in Vietnam

Vietnam is a country undergoing transformation from a centrally planned socialist economy to a system that is more market orientated. The transformation dates back to 1986, a decade after the end of the Vietnam War (in 1976) that reunited the north and south of the country under communist rule. At that time, Vietnam was one of the poorest countries in the world. Per capita income stood at just \$100 per person, poverty was endemic, price inflation exceeded 700 percent, and the Communist Party exercised tight control over most forms of economic and political life. To compound matters, Vietnam struggled under a trade embargo imposed by the United States after the end of the Vietnam War.

Recognising that central planning and government ownership of the means of production were not raising the living standards of the population, in 1986 the Communist Party embarked upon the first of a series of reforms that, over the next two decades, transformed much of the economy. Agricultural land was privatised and state farm collectives were dismantled. As a result, farm productivity surged. Following this, rules restricting the establishment of private enterprises were relaxed. Many price controls were removed. State-owned enterprises were privatised. Barriers to foreign direct investment were lowered and Vietnam entered into trade agreements with its neighbours and its old enemy the United States, culminating in the country joining the World Trade Organisation in 2007.

The impact of these reforms has been dramatic. Vietnam achieved annual economic growth rates of around 7 percent for the first 20 years of its reform program. Although growth rates fell to 5 percent in the aftermath of the 2008-2009 global financial crisis, by 2015 Vietnam was once again achieving growth rates of around 6-7 percent. Living standards have surged, with GDP per capita on a purchasing parity basis reaching \$6,400 in 2016. The country is now a major exporter of textiles and agricultural products. With an expanding electronics sector. State-owned enterprises now only account for 40 percent of total output, down from a near monopoly in 1985. Moreover, with a population approaching 100 million and an average age of just 30, Vietnam is emerging as a potentially significant market for consumer goods.

For all of this progress, significant problems still remain. The country is too dependent upon exports of commodities, the prices of which can be very volatile. Vietnam's remaining state-owned enterprises are inefficient and burdened with high levels of debt. Rather than let prices be set by market forces (the forces of demand and supply), the government has recently reintroduced some price controls. On the political front, the Communist Party has maintained a tight grip on power, even as the economy has transitioned to a market-based system. Vietnam bans all independent political parties, labor unions, and human rights organisations. Government critics are routinely harassed and can be arrested and detained for long periods without trial. The courts lack independence and are used as a political tool by the Communist Party to punish critics. There is no freedom of assembly or freedom of the press.

To compound matters, corruption is rampant in Vietnam. Transparency International, a nongovernmental organisation that evaluates countries based on perceptions of how corrupt they are, ranks Vietnam 113th out of the 176 countries it ranks. Corruption is not a new problem in Vietnam. There is a well-established tradition of public officials selling their influence and favouring their families. However, critics say that the problem was exacerbated by privatisation processes that provided opportunities for government officials to appoint themselves and family members as executives of formerly state-owned companies. Although the ruling Communist Party has launched anticorruption initiatives, these seem to be largely symbolic efforts. Many observers believe that widespread corruption has a negative impact on new business formation and is constraining economic growth.

- (a) Why did Vietnam experience a low economic growth rate in the decade after the end of the Vietnam War in 1976? (4)

- (b) Vietnam now has an economy that is growing strongly with low unemployment and rising living standards. What changes in economic policy have been responsible for this economic transformation? Motivate your answer. (8)

- (c) Based on your opinion, how does the high levels of corruption in Vietnam affect Vietnam's economic performance? (4)

- (d) How do you think an improvement toward a market economy coupled with a shift toward a democratic political system will affect economic progress in Vietnam? (6)

END OF QUESTION PAPER

Dr. Asa H. ...