



Kasarani Campus  
Off Thika Road  
Tel. 2042692 / 3  
P. O. Box 49274, 00100  
NAIROBI  
Westlands Campus  
Pamstech House  
Woodvale Grove  
Tel. 4442212  
Fax: 4444175

**KIRIRI WOMENS' UNIVERSITY OF SCIENCE AND TECHNOLOGY  
UNIVERSITY EXAMINATION, 2019/2020 ACADEMIC YEAR  
THIRD YEAR, FIRST SEMESTER EXAMINATION  
FOR THE DEGREE OF BACHELOR OF SCIENCE  
(BUSINESS ADMINISTRATION)**

Date: 15<sup>th</sup> April, 2019  
Time: 11.00am – 1.00pm

**KBM 302 - MULTINATIONAL BUSINESS OPERATIONS AND STRATEGY**

**INSTRUCTIONS TO CANDIDATES**

**ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS**

**QUESTION ONE (30 MARKS)**

In relation to Joseph's argument, there is a certain tension between MNCs and the local environment where these MNCs operate. Depending on where in the world the company acts, where it sells and produces its products, frequently there are different culture, values, beliefs and social patterns. To overcome the tension between the two actors, principles and codes of conduct can be seen as a response to reduce this tension between the communities and companies. Most of MNCs have principles on Corporate Social Responsibility (CSR), where they have to help the communities in development process.

Answer the following questions in reference to the above information:

- a) Explain three situations that affect the internal environment for a multinational corporation. (5 Marks)
- b) Discuss how the following attributes influence the performance of a (MNC) in a given country
- i) Culture, (3 Marks)
  - ii) Values, (3 Marks)
  - iii) Beliefs (3Marks)
  - iv) Social patterns (3 Marks)

- c) How does the code of conduct regulate the tension between different parties in the multinational business operations. (5 Marks)
- d) Define the term corporate social responsibilities. (3 Marks)
- e) Give three reasons why a multinational company MUST involve itself in the corporate social responsibilities. (3 Marks)
- f) Highlight two reasons why the multinational corporations should be cautious about the environmental care (2 Marks)

**QUESTION TWO (20 MARKS)**

- a) Examine the following issues that the multinational corporations have to deal with
- i) Accounting process (3 Marks)
  - ii) Regulations and rules (3 Marks)
  - iii) Dangerous places (3 Marks)
- b) Discuss the four stages that a multinational business go through. (8 Marks)

**QUESTION THREE (20 MARKS)**

- a) Analyse five conditions which a MNC must fulfill before it starts its operations (10 Marks)
- b) Examine three advantages of a functional structure. (10 Marks)

**QUESTION FOUR (20 MARKS)**

- a) Explain five advantages of an international division as part of the functional structure (10 Marks)
- b) By use of three examples justify the arguments for the corporate social responsibility (10 Marks)

**QUESTION FIVE (20 MARKS)**

- a) Explain how a management style based on the use of authority works in the multinational operations (12 Marks)
- b) Multinational business also use the strategic management, discuss the four steps used in executing the process. (8 Marks)