

**THE OPEN UNIVERSITY OF SRI LANKA  
COMMONWEALTH EXECUTIVE MASTER OF BUSINESS/PUBLIC  
ADMINISTRATION PROGRAMME  
FINAL EXAMINATION 2011 /12  
MCP2613 – INTERNATIONAL MARKETING**



**DURATION THREE (03) HOURS**

**DATE: 1<sup>st</sup> March 2012**

**TIME: 9.30am to 12.30pm**

**INSTRUCTIONS:**

- Answer ALL questions in Part A (Compulsory) and any THREE (3) questions in Part B.
- Part A carries 40 marks and Part B carries 60 marks.
- Incomplete answers and illegible handwriting will face the risk of losing marks.

**PART A**

**Read the case on KFC and answer all questions at the end of the case.**

KFC, a fast-food operator, faced immense resistance from some politically active consumer groups when it opened its operations in India. One group proclaimed that opening KFC outlets on the country would propagate a “junk-food culture”. Others proclaimed that this marked the “return of imperialistic powers” and was an attempt to “westernize the eating habits” of Indians. Overzealous local authorities in the city of Bangalore used a city law restricting the use of MSG (a food additive used in the chicken recipe used by KFC) over a certain amount as a pretext for temporarily closing down the outlet, despite the fact that the relevant authorities did not even have the equipment to measure the MSG content in proportions stated in the law. In the city of New Delhi a KFC outlet was temporarily closed down because the food inspector found a “house-fly” in the restaurant. Both of these issues got resolved through hectic consultations with these consumer groups and through legal orders issued protecting the interests of the outlets.

(Source: <http://www.universalteacherpublications.com>)

- (a) In view of the above situation, critically examine the impact of the social and political environment on a firm’s operations in international markets.

**(15 Marks)**

- (b) What steps would you take to cope up with the above situation, if you have been appointed as the Country Manager (Indian Operations) of KFC?

**(25 Marks)**

**(Total 40 Marks)**

**PART B**

Please read all questions carefully and answer any 3 questions.

---

1. (a) What are the elements of international marketing environment affecting the marketing activities of an organization in a foreign country? Explain with examples.  
(10 Marks)
- (b) What do you understand by the term "Political Risk"? Discuss with examples how would you assess and manage political risk when you are engaged in international marketing.  
(10 Marks)  
(Total 20 Marks)
2. Write short notes on any four of the following using examples.
- (a) Product adaptations Vs. Product standardisation
  - (b) Advantages and limitations of indirect exporting
  - (c) Physical distance and psychological distance
  - (d) Factors to consider in setting prices for international brands
  - (e) Barriers to international business and how to overcome them
- (4 X 5 Marks Each = 20 Marks)
3. Explain the various steps involved in international market research and how you would use these steps to assess the entry strategy of an organisation of your choice into foreign markets.  
(20 Marks)
4. You have been just appointed as Head of International Marketing at ABC Company. Your company has decided to enter into international markets and has asked you to explain the merits and limitations of the various methods available to enter foreign markets.  
(20 Marks)
5. (a) What do you mean by international marketing orientation?  
(5 Marks)
- (b) Explain the EPRG framework using suitable examples.  
(15 Marks)  
(Total 20 Marks)
6. (a) What are the factors that prompt organisations to consider entry into international markets?  
(10 Marks)
- (b) Explain the relevance of Porter's Five Forces Model in international marketing using suitable examples to illustrate your answer.  
(10 Marks)  
(Total 20 Marks)

-Copyrights reserved-