FEEDBACK TUTORIAL LETTER

1st SEMESTER 2019

ASSIGNMENT 1

INTERNATIONAL BUSINESS MANAGEMENT-PLANNING
IBM421S
ASSIGNMENT 1 FEEDBACK TUTORIAL LETTER

The overall students' performance is well and only one (1) of the student has performed poorly and a confirmation has been made as why, and the outcomes was that the student has submitted totally a wrong subject code, on the same module, and all others have passed, with the highest perform student score 82% and the lowest score is 14% (the above mentioned student).

Students responded well to questions, The problems encountered is that most students have failed to include the references on the assignment, with few students who include it have also fail to mention the prescribed textbook for the module which is a key to the module.

It is also noted that some students have also submit a hand written assignment (fail to type) which may indicate that some students still have no access to computers or suggest that some students still lack of computer knowledge. Otherwise the overall performance is well and students demonstrated competent.

ASSIGNMENT 1 MEMO

Question 1: Discuss the global institution in the context of international business (10)
1. **The International monetary Fund (IMF)** – Was formed in 1944 consisting of 189 member countries that work to ensure the stability of the international monetary and financial system. The IMF works to secure financial stability, develop global monetary cooperation, facilitate international trade, reduce poverty and maintain sustainable economic growth around the world. The IMF’s function is to help countries to manage their monetary policies, to maintain exchange rate, to stable balance of payment by providing technical and financial assistance. It was established to maintain order in the international monetary system.

2. **The World Trade Organization (WTO)** - Was formed in 1995 to replace the General Agreement on Tariffs and Trade (GATT) which was started in 1947. The WTO is an international organization of 164 members that deals with the rules of trade between nations. It works to help international trade flow smoothly and provides countries with a constructive and fair passage for dealing with disputes over trade issues.

3. **The United Nations (UN)** – Was formed in 1945 with their goal to develop friendly relations between nations, to maintain international peace and security by preventing and fostering international cooperation in solving economic, social, humanitarian and cultural issues.

4. **General Agreement on Tariff and Trade (GATT)** - Was formed in 1947 to facilitate trade agreements between members and to settle trade disputes.

5. **The World Bank (WB)** - Was formed in 1944 and helps countries develop their economics structure by providing loans with low interest rates and technical assistance as well. The World Bank was established to promote economic development.

**Question 2: Discuss the product life-cycle theory**

**Stage 1 (introduction)** – In this stage companies invest heavily in product development. This is an awareness creating stage and is not associated with profits.

**Stage 2 (Growth)** – In this stage the profits and sales are strong. Products and brands can become household names. The business continues to invest in advertising to sustain sales growth and customer demand.

**Stage 3 (Maturity)** – In this stage the product demand is at its highest. The company is now faced with the challenge of sustaining market share and business leaders seek consistent and steady sales.
This is the stabilizing stage, sales are high but the place is slow, however brand loyalty develops and therefore bringing in profits.

**Stage 4 (Decline)** – At this stage, the market becomes saturated and the product is no longer sold and becomes unpopular. This stage can occur as a natural result but can also be stimulated by the introduction of new and innovative products. Despite its decline in sales, companies continue to offer the product as a service to their loyal customers so that they will not be offended.

**Question 3: Analyse and discuss the determinants of culture**

1. **Language** – This refers to the spoken and unspoken means of communications. Spoken language refers to countries which speaks more than one language is beneficial and in some cases critical for business success because it eases communication breakdown. The unspoken language refers to the nonverbal communication such as the facial expressions, personal space and hand gestures. Failing to understand the nonverbal signs of another culture can lead to communication failure.

2. **Education**- Formal education is the medium through which individuals learn many of the languages, theoretical and mathematical skills that are important in a modern society. A society that embraces formal education can give an organization a competitive edge through the needed labor and the general education levels can also be a good guide for kinds of products that might sell in a country.

3. **Religion** – Religion is the shared beliefs that a particular society observes. It is important that the organization learns the religion in a given area so that it does not produce products that are not accepted in that society.

4. **Economic and political philosophies** – Knowledge of these philosophies can help organization in understanding the tactics it can use to enter the market.

5. **Social structure** – This refers to how a society links between themselves and the way the people are organized. A society may embrace either individual or group organization, in an individual organization; individual attributes are much more underlined, while in group organization, the mostly held attributes are for the group. It is therefore the responsibility of the organization to make sure it has observed the organization as it pushes its plan of development in the given society.

**Question 4: Briefly discuss the impacts that culture has in the workplace**
Culture in the workplace is defined as the personality and identity of an organization which is made up of the organizational values, the beliefs, behaviors, attitudes and traditions that makes it unique from other organizations.

According to Adler (2002), Cultural diversity can affect the workplace in numerous ways. Negative effects can include miscommunication, creation of barriers, and dysfunctional adaptation behaviors. Positive effects can include building a sound knowledge base with in-house talent, which can make for smoother integration of the organization into foreign cultures. Employees belonging to different cultures usually have different ways of thinking and can see things in a different perceptions.

Question 4: Discus various methods government can use to intervene in the international trade market. (12)

1. **Subsidy** – This is the government payment to a domestic producer and it take many forms include cash grants, low interest, tax break and government equity participation.
2. **Tariffs** – this is tax collected by the government on the imported good.
3. **Anti-dumping** – this is a selling of goods in a foreign market below the market price and below the cost of production, were firms unload excess production in the foreign market.
4. **Administration policies** – these are bureaucratic rules that are designed to make it difficult for imports to enter the country.
5. **Import quotas** – these are direct restrictions on the quantities of goods to be imported. These are usually enforced by license issued to a group of individuals or firms.

[TOTAL MARKS 50]

END OF MEMO