



ICM

MARCH 2016

THE INTERNATIONAL BUSINESS ENVIRONMENT

Instructions to candidates:

- a) Time allowed: Three hours (plus an extra ten minutes' reading time at the start – do not write anything during this time)
 - b) Answer any THREE questions
 - c) All questions carry equal marks. Marks for each question are shown in []
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1. The UK energy company Npower was fined £26m in December 2015 for sending out incorrect bills and failing to deal with complaints properly. Assess the potential impact of the fine on Npower and discuss the action that it can take in response. [33]
 2. China's state-owned bankcard association, China UnionPay, has established a partnership with Apple to bring the US giant's electronic payment system, Apple Pay, to mainland China. Analyse the issues that will need to be considered and the challenges that Apple might face in developing the partnership with China UnionPay. [33]
 3. Towards the end of last year Anheuser-Busch InBev agreed a £71bn takeover of rival SABMiller, in a deal that would combine the world's two largest beer makers. Explain the likely benefits that Anheuser-Busch InBev will be hoping to gain from the takeover and review the challenges that it may face. [33]
 4. In December of last year Greece signed a privatisation agreement granting control of over a dozen regional airports to a German company. Analyse the benefits that governments hope to gain by privatising public companies and assess the challenges that might be faced by the new owners. [33]
 5. In September 2015 Longhorn Publishers, the Kenyan publishing group, reported a 24.4% decline in after tax profits after poor performance on the part of its Ugandan and Tanzanian subsidiaries. Explain the action that a company facing a decline in profits on this scale can take to improve its position. [33]
 6. In October of last year, the UK retailer Marks & Spencer announced that it was cutting its ambitious international expansion plans. The closure of stores in five European countries was announced. Analyse the challenges that a global company is likely to encounter when attempting to expand its business internationally. [33]