Final Assessment

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BBA program

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Answer to the question NO 1

Corporate governace: Corporate governance is the system of rules, practices and processes by which a company is directed and controlled. corporate Governance refers to the way in which companies to are govemed and to what purpose It identifies who has power and accountability, and who makes decisions.

The different modes of entering an international market are given below:

A company can enter a new global market through various modes of entry including:

Exporting: It is a traditional mode of entry where a company sells its goods/services in a foreign ands without establishing its operations there. Exporting can be:

i) Direct exporting: In this approach, a company directly exports its products/services to an international market.

ii) Indirect exporting: In this approach, a company employs an agency in the foreign country to handle its product or service.

Licensing: In this mode of entry, a company (foreign licensor) sells a right to a local manufacturer (licensee) to produce its produce product or service. The foreign license or invests it's own capital in the venture.

Franchising: In this approach, a company (franchiser) sells the right to use its trademark and sell it's products or services to a semi-independent local business. (franchisee). The franchisee bears the cost and risks of establishing the operations in the foreign market. For example, Mc Donald's and KFC entered Bangladeshi market through franching.

Joint venture: In a joint venture (JV), a company establishes a new company in a foreign market in collaboration with a local partner.

Mergers and acquisitions: A merger is a process where two or more companies combine into a single entity to accumulate their mutual assets and liabilities. The merger enables them to:

i) Achieve economies of scale.

ii) Avail tax benefits.

iii) Get synergy and diversify products / services.

Acquisition, on the other hand, it the process where a company acquires controlling shares of another company.

Strategic alliance: In a strategic alliance, two or more companies formalise an agreement to share their risks and resources in order to achieve a common set of objectives, while assuming their independent indentities.

Notes Foreign direct investment (FDI): In FDI, a company enters a foreign market by investing in the country either through the acquisition of a local entity or by setting up a new entity.

Outsourcing: This is a method by which a company can reduce its costs and focus on core operations by transferring a part of work to low-cost suppliers in a foreign land.

Contract manufacturing: In this process, a foreign company hires a local manufacturer to produce a product or apart of the product.

Trunkey projects: In these projects, of foreign organisation takes the responsibility of setting up a new organisation on behalf of a client organisation.

Answer to the question NO: 2

Differentiade Agreement from contract :

Basis for Comparison	Agreement	contract
Meaning	When a proposal is accepted by the person to whom it is made withrequisite consideration, it is an agreement.	When an agreement is enforceable by law, it becomes a contract.
Elements	Offer and Acceptance	Agreement and Enforceability.
Defined in	Section 2 (e)	Section 2 (h)
In writing	Not necessarily	Normally written and registered.
Legal obligation	Does not creates legal obligation.	Creates legal obligation.
One in other	Every agreement need not be a contract.	All contracts are agreement.
Scope	Wide	Narrow.

The types of International Business strategies are given below:

Companies adopt three types of international trade strategies to guide their way across foreign market:

Multi-domestic strategy: In this strategy, a company focuses on providing specific, tailor-made products and services in response to local demands within each foreign market. For example, the MTV channel customizes its programs according to the regions in which they are being broadcasted. Similarly, Heinz offers a no-garlic, no-onion version of its signature Ketchup for Indian customers.

Global Strategy: This strategy is the opposite of multi-domestic strategy. Here, a company

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focuses on being efficient. Its aim is to achieve economies of scale by offering the same products/services in each foreign market, with a few modifications. For example, Microsoft offers the same programs worldwide albeit with minor modifications to match local language.

Transnational strategy: Notes This strategy is mid-way between the multidomestic and the global approach. It focuses on being efficient as well as adjusting to local preferences. For example, Mc Donald's and KFC use the same business format and effiaient processes in their worldwide restaurants, but they adjust their products to suit local tastes. Mc Donald's in France

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offers wine to customers, as wine is a staple part of the French diet.

Answer to the question NO: 3 (a)

The benefits of ethical business practice:

Organization that adopt ethical practices are able to survive for a long period in the market by delivering value to their stakeholders. Such an organization egages in fair practices and fair competition in the best interest of consumers and society. An Ethical business is able to:

a) Satisfy basic human needs.

b) Cultivate a good public image.

c) prevent business malpractices.

d) Improve customers 'confidence.

e) ~~Notes~~ Safeguard consumers' rights.

f) protect stakeholders.

g) Gain a competitive edge.

h) Develop good industrial relations.

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i) Give confidence to employees that they are working for a fair and ethical businees.

j) Unite employees and leaders on common goals or mission.

K) Improve decision-making as decisions will be founded on values

L) Sustain long-term growth

Illustrate with real life example are given below:

<u>Microsoft</u>: Founded by Bill Gates, who has established himself as one of the world's most generous philanthropist, Microsoft donates more than $1 billon. annually to charities and non- profit organisations. To reduce the shortage of It personnel in the US, Microsoft employees volunteer in local Schools to promote computer science and

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technology among students. Microsoft gives 100% coverage on the health care premiums of it's employees.

Ans. to the Question NO:3 (b)

The role of business ethics as competitive advantages are explaining below:

The advantages of business ethics can extend beyond moral obligation. They can also benefit a company's bottom line. Ethical behavior can serve to differentiate your brand from those of your competitors if you operate in an oversubscribed market, offering you a competitive edge. Identifying your product and business practices as being founded on strong ethical principles make your product or service more attractive to consumers - a good example of this model would be the Body Shop, a cosmetics company whose products are not tested on animals.

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Customers, who cares about high ethical standards, are the ones who can contribute to the to the biggest potential profits on ethically produced goods. There should not be any hesitation in being ethical as this is a long term investment in making current and future customers your loyal partners. When companies work ethically, They naturally outpace competitors who are unethically working for expanding profits. It is simple because customers see them as a trusted partner, not only for what they do but for how it is deliverd.

Business ethics is very important to stop business malpractices. It helps the business survive for a logner time and it helps

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maintain customer satisfaction, and avoids legal problems which is very prominent in many companies at present.