



UNIVERSITY OF COLOMBO, SRI LANKA

Faculty of Management and Finance

Postgraduate and Mid-career Development Unit

Master of Business Administration Programme – 2022/2024

(Trimester VI) Examination – February 2025

MBA 5224 – Business in Emerging Markets

Three (03) Hours

This is an Open Book Examination. This paper comprises six (06) questions printed on three (03) pages. Answer any **Five (05)** questions.

1.

- i. Compare and contrast Import Substitution Industrialization (ISI) and Export-Led Growth strategies in terms of their impact on industrial development, trade balances, and consumer welfare in emerging markets.

(08 Marks)

- ii. Discuss the importance of innovative business models in emerging markets. How can companies integrate customer value propositions, profit formulas, processes, and resources to address the needs of middle-income consumers?

(12 Marks)

(Total: 20 marks)

2. i. a. Critically assess the impact of changing global consumption patterns and the rise of emerging markets as key players in global trade.

(05 Marks)

- b. How should businesses adapt to seize these opportunities while managing challenges?

(05 Marks)

- ii. Compare and contrast the use of money market hedges and forward contracts as strategies for managing exchange rate risk in emerging market investments.

(10 Marks)

(Total: 20 marks)

3. XYZ Industries is one of the largest Indonesian firms which manufactures and sells a large variety of instant noodles. Its products are widely popular in East Asia and it is gaining popularity in other parts of the world including the EU. Although the company exports around the world, the only manufacturing facilities they have are located in Indonesia. Given the strict health and safety standards in EU, it has become extremely difficult to export to the EU from Indonesia. Therefore, XYZ Industries is planning on setting up a subsidiary in Denmark which will be dedicated to manufacturing and sales in the EU. Denmark has been selected by the company due to its high level of economic freedom and ease of doing business.

Considering that XYZ originates from an emerging market, discuss how Liabilities of Foreignness (LoF), Liabilities of Outsidership (LoO) and Liability of Emergingness (LoE), can impact XYZ as it establishes and operates in Denmark.

(Total: 20 marks)

4. Using examples and statistics, discuss the reasons for underinvestment in key Sustainable Development Goals (SDG) sectors in emerging markets and its implications for the global economy.

(Total: 20 marks)

5. i. a. Elaborate the nature of industrial and institutional transition of emerging economies.

(05 Marks)

- b. Explain how such a transition has made emerging economies attractive for businesses.

(05 Marks)

ii. Evaluate the relationship between the nature of the political economy and institutional voids in emerging economies with real-world examples.

(10 Marks)

(Total: 20 marks)

6. i. "Multinational businesses can 'compete alone' or 'collaborate' in emerging market economies."

Explain the operationalization of above two (02) strategies in emerging economies based on firm-specific and country-specific advantages.

(10 Marks)

ii. "Emerging market multinational enterprises are adopting explorative strategy in internationalization while advance economy multinational enterprises engage in exploitative internationalization."

Do you agree with the above statement? Validate your answer with real-world examples.

(10 Marks)

(Total: 20 marks)
