



ASSIGNMENT 2ND SEMESTER : EXPORT MANAGEMENT (EM)
STUDY UNITS COVERED : STUDY UNIT 1 TO 5
DUE DATE : 3.00 p.m. 17 AUGUST 2010
TOTAL MARKS : 100

INSTRUCTIONS TO CANDIDATES FOR COMPLETING AND SUBMITTING ASSIGNMENTS

The complete 'Instructions to Students for Completing and Submitting Assignments' must be collected from the IEX office, or the relevant Student Support Centre, or can be downloaded from the IEX website. It is essential that you study the complete instructions prior to beginning your assignment. The following points highlight only a few important notes:

- 1) You are required to submit ONE assignment per subject.
- 2) The assignment will contribute 20% towards the final examination mark, and the other 80% will be made up from the examination, however, the examination papers will count out of 100%.
- 3) Although your assignment will contribute towards your final examination mark, you do not have to earn credits for admission to the examinations; you are automatically accepted on registering for the exam.
- 4) Number all the pages of your assignment (e.g. page 1 of 4), and write your name and surname, student number and subject at the top of **each** page.
- 5) The IEX requires assignments to be presented in a typed format and on plain A4 paper. This assignment must be completed within a limit of 1500 words, excluding the bibliography.
- 6) A separate assignment cover, which is provided by the IEX, must be attached to the front of each assignment.
- 7) Retain a copy of each assignment before submitting in case the original does not reach the IEX.
- 8) The assignment due date refers to the day up to which assignments will be accepted for marking purposes. The deadline is 3:00 p.m. on 17 August 2010. Late assignments will be accepted, but **25 marks** will be deducted from the maximum mark, if received after 3:00 p.m. on 17 August 2010 and up to 5:00 p.m. the following day, after which no assignments will be accepted.
- 9) If you fail to follow these instructions carefully, the IEX cannot accept responsibility for the return of the assignment. It may even result in your assignment not being marked.

Results will be available on the IEX website, www.iex.co.za, on Friday, 8 October 2010.

SPECIFIC INSTRUCTIONS:

Students should bear in mind that in business, as in life, knowledge should not be kept in separate 'subject boxes' as it were. Management issues, especially, incorporate aspects of production, marketing, finance, personnel, logistics and law. Students should therefore draw on what they have learned throughout their studies for the Diploma in Export Management when preparing this assignment.

Present your work as a business document under appropriate headings and sub-heading. Do not exceed 1 500 words in length.

BACKGROUND

You are the export manager of a company producing knockdown melamine-clad office furniture. You are a successful exporter, with markets in Africa, the Middle East and Australia.

Expressed fairly simply, the risks you face in exporting are:

- 1 Controllable
 - a) Product failure (the product does not satisfactorily perform the function or meet the needs that you have promised your buyer)
 - b) Documents wrong
 - c) Late/non-delivery

- 2 Insurable
 - a) Rand exchange rate
 - b) Damage in transit
 - c) Customer default

- 3 External
 - a) Economic change in your foreign markets adversely affects demand for your product.
 - b) Foreign market laws and regulations change, altering the business environment in your foreign market and creating difficulties for you.
 - c) Competition: new competitors enter the market; existing competitors become more aggressive by improving their product or cutting prices.
 - d) Agent/representative fails (does not promote your product sufficiently, neglects major buyers, etc.).

ASSIGNMENT**[90]**

Explain the information and control systems you would install and implement in order to manage the **controllable** and **external** risks to your export business.

You are *not* asked to describe forward cover, marine insurance and export credit insurance, which are the options open to you under insurable risks.

The purpose of the assignment is to enable you to apply theory from various sections of the Export Management course to a possible situation. You may wish to undertake a little research, mainly on the issue of product failure.

PRESENTATION [10]

ASSIGNMENT TOTAL: 100