

Lomonosov Moscow State University

Faculty of Economics

Master's programme

Subject Area «Management»

Admission Exam Programme

«International Business Management»

## GENERAL PART

### 1. Economic theory

***Demand and supply.*** Market equilibrium. Equilibrium with aggregated demand in several market segments. Price elasticity of demand. Income elasticity of demand. Cross price elasticity of demand. Elasticity of supply.

***The theory of consumer choice.*** Indifference curves and the utility function of the consumer. Marginal utility. Marginal rate of substitution in consumption. Budget constraint. Consumers' optimum. The price-consumption curve and the demand curve. Income effect and substitution effect.

***Production theory, theory of costs and profits and supply in perfect competition.*** Production function. Marginal rate of technological substitution. Average and marginal resource products. Change in output in the short-term and long-term period. Scale effect. Cost as a function of the quantity and value of resources. The principle of minimizing costs. Cost as a function of output. Total, average and marginal costs in short-term and long-term period. Maximization of profit as a function of the amount of resources. Maximization of profit as a function of output. Firm supply in short-term and long-term period. Supply of a competitive industry.

***Market structures.*** Perfect competition equilibrium, consumers' and producers' surplus, Pareto efficiency. Market regulation of perfect competition: specific tax, subsidies, sales restriction, setting a price ceiling, setting a lower price limit. Profit maximization a monopolist. The market power of a monopolist. Monopoly and social effectiveness. Regulation of monopoly: taxation, setting the price ceiling. Monopolistic behavior: price discrimination of the first, second and third degree. Monopolistic competition: the traditional model of product differentiation, linear model of spatial differentiation of the product. Strategic behavior and oligopoly. Cournot duopoly model, Steklberg model, Bertrand (price war) model, price leadership model, cartel collusion model.

***Macroeconomic indicators.*** Measurement tools in macroeconomics. Aggregation. Flows and stocks. Closed and open economy. Real and nominal indicators. Circulation of goods and resources, income and expenditures in the economy. Gross domestic product (GDP) and total output. Methods for measuring GDP. Consumer price index and inflation.

***Economic growth and fluctuations in business.*** Macroeconomic instability: unemployment and inflation. The economic growth. Factors of economic growth. Types of economic growth. Potential and actual GDP. The concept of the business cycle. Phases of the business cycle. Causes of fluctuations in business activity. Work force. Labor market and unemployment. Types of unemployment: frictional, structural and cyclical unemployment. Full employment and natural rate of unemployment. Unemployment costs. Okun's law. The nature of inflation and its types. Causes of inflation. Demand-pull inflation and cost-push inflation. Inflationary expectations.

*Social and economic consequences of inflation. The relationship between inflation and unemployment. Phillips curve.*

**Aggregate demand and aggregate supply.** *The model of aggregate demand / aggregate supply AD / AS. Short-term and long-term equilibrium in the aggregate demand / aggregate supply model. Shocks of aggregate demand and shocks of the aggregate supply. Stabilization policy.*

**Fiscal policy.** *The state budget. Types of public revenues and expenditures. Proportional and lump-sum taxes. Public procurement of goods and services. State transfers. Public expenditure and taxes in the Keynesian cross model. Expenditure multiplier. Tax multiplier. Budget deficit and its types. Balanced budget multiplier. Restraining and stimulating fiscal policy. Discretionary and non-discretionary fiscal policy. Built-in stabilizers. Problems of fiscal policy.*

**Money supply. Monetary policy.** *The nature and functions of money. Types of money. Money supply and its aggregates. Banking system and its structure. The central bank and commercial banks. Money supply and monetary base. The process of creating money by the banking system. Money supply, bank and money multipliers. Control over money supply and monetary policy. Instruments of monetary policy. Restraining and stimulating monetary policy. Problems of monetary policy.*

**Economic growth.** *R. Solow's model of economic growth. Savings and investments. Accumulation of capital. The role of savings rate. Sustainable level of capital employment ratio and labor productivity. Population growth. Technological progress in the Solow model. "Golden rule" of capital accumulation.*

**Balance of payments and exchange rate.** *Balance of payments structure. Current account. Capital and financial accounts. The balance-of-payments surplus. Relationship between balance of payments accounts. Nominal and real exchange rate. Purchasing power parity. Fixed and floating exchange rate. Fluctuations of the exchange rate and its determinants.*

### **List of recommended literature**

1. Hal Varian *Intermediate Economics: Modern Approach*, 8<sup>th</sup> edition, 2010
2. Mankiw NG. *Macroeconomics*, 7th Edition. Worth Publishers; 2010.
3. Peter H. Lindert, Thomas A. Pugel, *International Economics*, 1996.

## **Module 2. Statistics**

**Stages of statistical research.** *Variation series and their main characteristics. Main economic classifications: The notion of variation series. Attributive and variational series of distribution. Types of average values, the choice of average form. Structural averages: mode and median, their use in economics. Gini and Herfindahl coefficient. Variation coefficient.*

**The relationship and dynamics of economic indicators.** *Algorithm of correlation-regression analysis. The equation of regression and determination of its parameters. Parametric and nonparametric tightness coefficients. Analysis of the relationship between qualitative variables. Types of series. The main analytical indicators calculated for the time series. The average characteristics of time series. Interpolation and extrapolation in time series. Features of correlation in time series.*

**Economic indices.** *Indices and the principles of their construction. Individual and general indices. Laspeyres and Paasche indices, the Fisher index. Indices of variable, fixed composition and structural shifts. Methods of constructing a system of interrelated indices. Determining the impact of different factors in indices. Price indices used in economic practice; methodology for constructing consumer price index.*

**System of National Accounts (SNA).** *Basic concepts and definitions of the SNA. Indicators of gross output and gross value added. Taxes on production and on products. The concept of net taxes. Gross Domestic Product as a central indicator of the SNA. Gross national income and gross national disposable income. Interrelation between the main macroeconomic indicators and its reflection in the SNA. Analysis of the dynamics of the gross domestic product volume. Index-deflator of GDP. Unobservable, underground and illegal activities.*

**Статистика рынка труда.** *Понятие рабочей силы, занятости и безработицы. Показатели участия в рабочей силе, занятости населения, общей и зарегистрированной безработицы. Показатели численности и состава рабочей силы, рассчитываемые на микроуровне. Анализ движения рабочей силы. Уровень производительности и оплаты труда. Среднемесячный доход от трудовой деятельности.*

**Statistics of the labor market.** *The concept of labor force, employment and unemployment. Indicators of participation in the labor force, employment, total and registered unemployment. Micro level indicators of the labor force. Analysis of labor mobility. Level of productivity and wages. The average monthly income.*

#### **List of recommended literature**

*James T. McClave, P. George Benson and Terry T Sincich, Statistics for business and economics (12th edition)*

### **Module 3. Management of the organization**

#### **Organization**

*Organization as a system. Elements and attributes of the organization.*

*Motivation. Content theories of motivation. Process theories of motivation.*

*The internal environment of the organization.*

*The external environment of the organization: macroenvironment and microenvironment.*

*Organizational processes.*

*Organizational culture.*

*The life cycle of an organization - definitions, models, characteristics of models. G. Morgan types of the organization.*

*Organizational behavior.*

#### **Management of the organization**

*The purpose of management as a science and practice. Connection of management to political economy, sociology, political science and other socio-economic disciplines.*

*History of management and management thought. Science and art of management. Modern management concepts. Organization of the future and trends in management.*

*Management and business. Management of the organization as a system. Management in static and in dynamics. The process of managing an organization. Management as a developing system.*

*Administration staff. G. Mintzberg roles of manager.*

*Organizational structures.*

*Development of organizational management systems. Efficiency and effectiveness of management. Key management functions. Management of business processes (supplies, production and sales). Strategic management. Specifics of management of small, medium and large businesses. Industry management. Management of diversified holdings. Management of innovative business. Public administration. Regional administration. Management of family business. Management of international business.*

### ***List of recommended literature***

1. *Richard L. Daft Organization Theory and Design 12th Edition, 2016*
2. *Luthans F. Organizational behavior: an evidence-based approach. 12th ed. – 2011*
3. *Mescon M. H., Albert M., Khedouri F. Management. 3rd Edition. – Harper & Row, 1988*

## **SPECIAL PART**

### **Module 1. International aspect of the external environment of the organization**

External environment of the organization. Elements of the macro-environment and the immediate environment of the organization. Models of the organization's external environment analysis. Features of the analysis of the organization's external environment for international markets. The influence of globalization on the micro-and macro-environment of the organization. Evolution of the nature of international business activities over the past twenty years. Features of international business activities in countries with different levels of development: developed, developing and transition economies. Evolution of the nature of international commercial activity: modern methods of regulating foreign trade operations. The role of WTO in regulating international trade and investment.

### **Module 2. Internationalization of business activity**

Reasons for companies to enter international markets. International competitiveness and factors of formation of competitive advantages. Competitive advantages in the international trade theory, A. Smith, D. Ricardo, Heckscher-Ohlin. R. Vernon's product life cycle theory. M. Porter's theory of competitiveness. Causes and consequences of international mobility of factors of production for donor and recipient countries.

### **Module 3. International business activities of companies**

Trade operations and methods of commercial risk insurance. Strategies for hedging currency risks and their instruments. Definition and criteria of an international company/corporation. J.H. Dunning's theory of TNCs (OLI paradigm). The index of transnationalization. Organizational and legal forms of international business. Forms of companies' international business activities: trade operations, transfer formats (leasing, franchising, licencing, etc.), investment activities. Forms of investment activity and types of foreign investments.

### **Module 4. International marketing**

International marketing environment. International marketing research. National characteristics of consumers. International pricing. Methods of promotion of goods on foreign markets. International marketing strategies.

#### Module 5. Human resources in international companies

Global demographic processes and their impact on human resource planning. Planning of human resources of the company entering international markets. Problems of cross-cultural management in international companies with multicultural teams. International labour law and human resource management.

#### Module 6. Organizational culture in international company and international business communications

Models of national cultures. International studies of national cultures. Management of organizational culture in international companies. The importance of business communication in business. Cross-cultural diversity and peculiarities of business communications in different countries. Management of international communications and ways to improve their efficiency.

#### List of recommended literature

1. Kotler P., Armstrong G. Principles of Marketing. 17th. ed. Global Edition. – Pearson, 2017. – 736 p.
2. Kotler P., Keller K. Marketing Management. 15th Global Edition. – Pearsons, 2016. – 834 p.
3. Luthans F. Organizational behavior: an evidence-based approach. 12th ed. – 2011. – 594p.
4. Mescon M. H., Albert M., Khedouri F. Management. 3rd Edition. – Harper & Row, 1988 – 777p.
5. Porter M. E. The Competitive Advantage of Nations. – Macmillan, London. – 1990
6. Charles W. L. H. International business: competing in the global marketplace. – 9th ed. – 2013.