

Part 1

Part 1

Correct answer for each question scores 2 marks.

- 2.1. Country X produces only two type of goods: refrigerators and milk. I'm 2017 country has produced 6 refrigerators and 30 thousand bottles of milk, and in 2018 – 9 refrigerators and 21 thousand bottles of milk. During this period the price of refrigerator has reduced from 8 thousand USD to 6 thousand USD, and the price of a bottle of milk has increased from 4 USD to 6 USD. If we take 2017 as the base year, then in 2018:
- nominal GDP has increased and real GDP has declined;**
 - nominal GDP has declined and real GDP has increased;
 - both nominal and real GDP have increased;
 - both nominal and real GDP have increased.
- 2.2. In Keynes theory of consumption if the marginal propensity to consume stays constant and the income rises this will lead to:
- increase in autonomous consumption;
 - decrease of average propensity to consume;**
 - decrease of average propensity to save;
 - increase of average propensity to save.
- 2.3. In the Solow model of economic growth if the rate of depreciation increases the equilibrium will be characterized by this:
- the growth rate of the level of aggregate output will increase;
 - the growth rate of the labor productivity will decrease;
 - the level of capital will increase;
 - the level of worker's income will decrease.**
- 2.4. The monetary policy aimed to overcome a decline in business activity requires:
- the decrease in the reserve requirements and the purchase of government bonds at open market;**
 - the decrease of refinancing rate and the sale of government bonds at open market;
 - the increase in the reserve requirements and the purchase of government bonds at open market;
 - the increase of refinancing rate and the sale of government bonds at open market.
- 2.5. The demand curve of the monopoly-firm is $Qd = 300 - 7P$. The function of total costs is $TC = 2Q$. A monopoly-firm practice first-degree price discrimination. In this case the consumer surplus would be equal to:
- 0;**
 - 5;
 - 20;
 - 10.
- 2.6. The utility function of the consumer is $U = X^{1/2} + 5Y$. The consumer consumes two type of goods X and Y. The prices of goods are: $P_x = 1$ Ruble., $P_y = 10$ Rubles. The income of the consumer is 601 Rubles. Determine the optimal consumption bundle of the good Y?
- 10;
 - 50;

- c) **60;**
- d) 250.

2.7. The production function curve is $Q(K, L) = K^{0.5}L^{0.5}$, where K and L – the amount of capital (K) and labour (L). Given the labour price $w=1$, and the capital price $r=4$, calculate the marginal product of labour MP_L of the firm, which minimizes costs:

- a) **0,25;**
- b) 0,5;
- c) 1;
- d) 4.

2.8. A competitive market can be characterized by following functions of supply $Q_s = 4P - 4$ and demand $Q_D = 20 - 4P$. Calculate the price elasticity of supply at the market equilibrium:

- a) 4;
- b) -4;
- c) 20;
- d) **1,5.**

2.9. The survey of sole traders in Russia revealed following results for the year 2015:

| Number of employees per 1 sole trader, people. | Number of sole traders, Thousand people |
|------------------------------------------------|-----------------------------------------|
| 1 - 9 | 2010 |
| 10 - 20 | 50 |
| 21 - 49 | 20 |
| 50 - 100 | 5 |

The average number of employees per one sole trader in 2015 equals (peolpe):

- a) 33;
- b) **6;**
- c) 45;
- d) 21.

2.10. In 2015 the amount of fixed investments in Russia was 13,9 billion Rubles. In 2016 the amount of fixed investments increased by 0,8 billion Rubles in comparison with 2015. During the period from 2015 to 2017 the average annual growth rate of this indicator was 1,05 billion Rubles.

Calculate the amount of fixed investment in 2017 r. (billion Rubles):

- a) 15,75;
- b) 15,2;
- c) **16,0;**
- d) 13,65.

2.11. The group of generic reduction corporate strategies includes:

- a) strategy «harvest»;
- b) cost reduction strategy;
- c) liquidation strategy;
- d) **all answers are correct.**

2.12. The founder of “Human Relations Theory” in management was:

- a) Charles Babbage;
- b) **Elton Mayo;**
- c) Henry Mintzberg;
- d) Peter Drucker.

- 2.13. This theory represents the process theories of motivation:
- Alderfer's ERG theory;
 - Maslow's needs hierarchy;
 - goal setting theory;**
 - all answers are correct.
- 2.14. In each organization this factor will influence the group performance:
- product organizational structure;
 - situational characteristics;**
 - industry structure;
 - all answers are correct.
- 2.15. According to Richard Daft organizational dimensions fall into these types:
- static;
 - structural and contextual;**
 - dynamic;
 - all answers are correct.
- 2.16. Porter's generic competitive strategies do not include this strategy:
- differentiation;
 - focus;
 - cost leadership;
 - penetration.**
- 2.17. According to Mintzberg list of management roles the role «Negotiator» belongs to this sub category of roles:
- information processing
 - strategy development;
 - interpersonal contact
 - decision making.**
- 2.18. Methods that the organization uses while designing the jobs include:
- job enrichment;
 - job enlargement;
 - job rotation;
 - all answers are correct.**
- 2.19. According to Harrington Emerson «principles of efficiency» include this principle:
- the principle of weak link;
 - the principle of labour division;
 - common sense and judgment;**
 - all answers are correct.
- 2.20. Leadership researchers distinguish this fundamental change in responsibilities and roles of leaders:
- from strategy development to the vision;
 - from the role of commander to the role of story-teller;
 - from the role of architect of systems to the role of change agent and servant leader;
 - all answers are correct.**

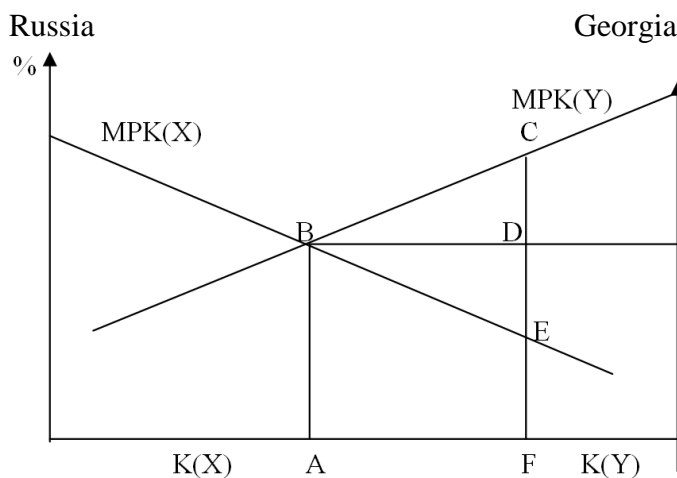
Part 2.

Correct answer for each question scores 2 marks.

- 2.21. The highest risks in the process of internationalization of the company's activities occur when: (Module 1)
- a) company is involved only in export operations overseas;
 - b) company produces only domestically;
 - c) **company has the assembly of production facilities in several countries & regions of the world;**
 - d) company invests in building a factory only in one foreign country.
- 2.22. The highest level of the decision-making decentralization required at this stage of internationalization of business activities: (Module 2)
- a) domestic operations;
 - b) export operations;
 - c) subsidiaries or joint venture;
 - d) **transnational operations.**
- 2.23. According to R. Vernon's International product life cycle theory choose the correct statement: (Module 2)
- a) the developing countries start producing the product during the maturity stage using highly skilled labour;
 - b) the output of the product increases during the decline stage;
 - c) consumers of the product in the innovating country do not lose interest in it while product is "aging";
 - d) **the output of the product is moved from the country-innovator to other regions of the world while product is aging.**
- 2.24. According to R. Vernon's theory during this stage of international product life cycle the production of the product is located mainly in developing countries using unskilled labour: (Module 2)
- a) **decline;**
 - b) maturity;
 - c) growth;
 - d) introduction.
- 2.25. Which of the following transactions can be classified as foreign portfolio investment (FPI): (Module 3)
- a) **US investment Fund allocates 100 mln USD in Russian Federal loan bonds;**
 - b) American Corporation GM creates the joint venture with AVTOVAZ in Togliatti for the production of SUVs and GM's share in the authorized capital of the joint venture exceeds 40%;
 - c) the Swedish company IKEA opens another furniture store in Moscow;
 - d) Russian concern "Gazprom" acquired real estate in Barcelona in order to establish its representative office in Spain.
- 2.26. Suppose that Mr. Ivanov - Russian resident- acquires a 15% stake in British company. A year later, he gives the same company a commercial loan for establishment of foreign

- subsidiary. According to the methodology of the IMF how his foreign investment should be classified concerning the first and second case? (Module 3)
- in the 1st case. – direct, in the 2nd case – portfolio;
 - in the 1st case –portfolio, in the 2nd case. –other investments;
 - in the 1st case – direct, in the 2nd case – other investments;**
 - in both cases – foreign direct investment.
- 2.27. The Heckscher-Ohlin theorem states that capital-abundant country will export: (Module 2)
- the capital-intensive good;**
 - the labour-intensive goods;
 - any goods;
 - no goods.
- 2.28. Working in developed countries, TNCs prefer countries with following characteristics of their business environment: (Module 3)
- the transparency and macroeconomic stability;**
 - frequently changing business rules;
 - high political and economic risks;
 - high level of tax burden.
- 2.29. In Edgar Schein Model of Organization Culture the attitude to risk corresponds to this level of culture: (Module 6)
- artifacts and behavior;
 - espoused values;
 - perceptions;
 - assumptions.**
- 2.30. Company has established a new department of research and development and hired new employees. After one month, it turned out that the new employees have different beliefs and values compared to employees from already existed departments. It could be defined as: (Module 6)
- conflict;
 - corporate diversity;
 - cultural clash;**
 - industrial dispute.
- 2.31. Which of the following strategies could be used by business to deal best with the problems caused by a short-term recession? (Module 2)
- reducing the size of the workforce;
 - moving to cheaper premises;
 - lowering prices to maintain sales;**
 - redesign products to cater for income-sensitive customers.
- 2.32. Which of the following would *not* be considered as *Strength* in SWOT analysis? (Module 4)
- high staff turnover rate;**
 - highly qualified staff;
 - innovative product;
 - wide and loyal customer base.

- 2.33. Which of the following would be *least* likely considered as an *Opportunity* in SWOT analysis? (Module 4)
- entering new overseas markets;
 - merger with a rival firm;
 - low level of staff motivation;**
 - the development of a new product.
- 2.34. Which of the following changes are critical for the HR manager at the company in high-tech sector? (Module 5)
- increase of the part-time employment practices among highly qualified personnel;
 - increase of the share of the low qualified personal in the company;
 - increase of average age of personnel.
- 1 and 2 are correct;
 - 2 and 3 are correct;
 - 1 and 3 are correct;
 - all changes are critical.**
- 2.35. In the absence of international trade Ghana can produce 4 tons of bananas or 1 ton of coffee, using one unit of resources while the potential trading partner - Kenya can produce 5 tons of bananas or 2 tons of coffee with the same one unit of resources. According to the Ricardian model of international trade, in case of establishment of trade relations between these countries:
- Kenya will export coffee and import bananas**
 - Kenya will export bananas and import coffee
 - Ghana will neither export nor import bananas
 - Ghana will export coffee and import bananas
- 2.36. The graph illustration of the effects of international lending is presented below. Russia is the lender while Georgia is the borrower and the two countries together form the global credit market as a whole. Identify the correct designation of the area representing the interest payments income of Russia. (Module 3)



- BCD;
- BDE;
- ABDF;**
- ABCF.

2.37. Using the information from the table below calculate the transnationality index (TNI) of the Japanese company Toyota (rounded to the first decimal place): (Module 3)

| | Total assets (USD billion) | Foreign assets (USD billion) | Total sales (USD billion) | Sales of foreign subsidiaries (USD billion) | Total number of employees (thousand) | Number of employees in foreign subsidiaries (thousand) |
|--------|----------------------------|--------------------------------|---------------------------|---------------------------------------------|---------------------------------------|---------------------------------------------------------|
| Toyota | 127,2 | 81,8 | 80,6 | 58,9 | 260 | 190 |

- a) 64,3%;
- b) 73,0%;
- c) 80,4%;
- d) **70,0%.**

2.38. Lukoil has signed 1 mln Euro contract with German company for the supply of pipelines. According to the terms of the contract the payment should be effected in three months. The current exchange rate of ruble is 60 RUR/EUR. Due to existing currency risk with expected depreciation of ruble up to 68 RUR/EUR the potential losses of Lukoil would be: (Module 3)

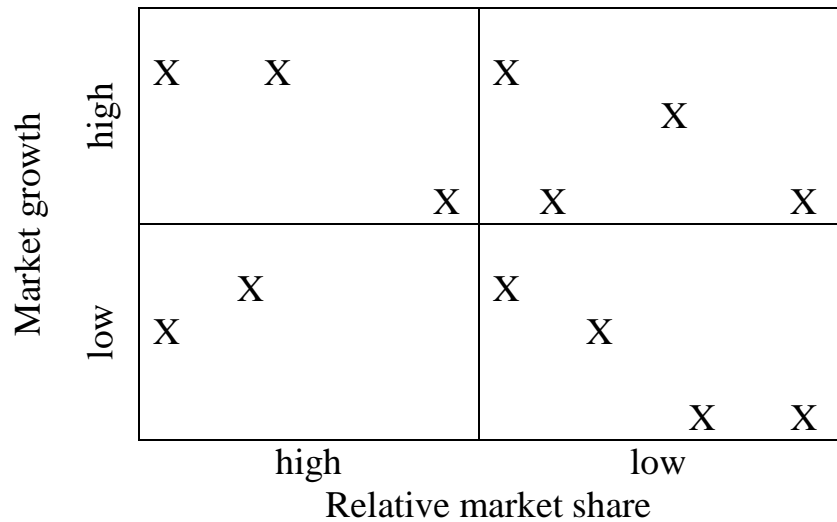
- a) 16 mln RUR;
- b) **8 mln RUR;**
- c) 4 mln RUR;
- d) 0 mln RUR.

2.39. In countries Lemuria and Arsenii there are only 2 factors of production – capital and labor. Lemuria has 24 units of labor and 6 units of capital while Arsenii can use 56 units of labor and 7 units of capital. Based on the available information, it can be concluded that: (Module 2)

- a) **Lemuria is capital-abundant country;**
- b) both Arsenii and Lemuria are capital-abundant countries;
- c) there is a shortage of labor in Arsenii;
- d) there is no shortage of labour in Lemuria.

2.1. The case study (22 marks overall) (Module 4)

Company I-Tech develops mobile applications and has the following portfolio of products represented in BCG matrix below. Each X represent one product.



20.a. Describe the product portfolio of I-Tech company:

How many products does I-Tech have in the category of question marks?

How many products does I-Tech have in the category of stars?

How many products does I-Tech have in the category of cash cows?

How many products does I-Tech have in the category of dogs?

20.b. Evaluate the product portfolio of the company.

20.c. Recommend appropriate strategies for business development, which amendments to product portfolio I-Tech should make to be more successful in the future.

| | | | | | |
|---|----------|----|----------|----|----------|
| 1 | C | 8 | A | 15 | A |
| 2 | D | 9 | D | 16 | C |
| 3 | D | 10 | C | 17 | D |
| 4 | A | 11 | C | 18 | B |
| 5 | A | 12 | A | 19 | A |
| 6 | C | 13 | C | | |
| 7 | A | 14 | D | | |