

ORG409 1 International Management

Kandidat-ID: 9008

Oppgaver	Oppgavetype	Vurdering	Status
i General information	Dokument	Automatisk poengsum	Lever
i Tesla case	Dokument	Automatisk poengsum	Lever
1 Question 1	Flervalg	Automatisk poengsum	Lever
2 Question 2	Flervalg	Automatisk poengsum	Lever
3 Question 3	Flervalg	Automatisk poengsum	Lever
4 Question 4	Flervalg	Automatisk poengsum	Lever
5 Question 5	Flervalg	Automatisk poengsum	Lever
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10 Question 10	Flervalg	Automatisk poengsum	Lever
11 New Question	Skriveoppgave	Manuell poengsum	Lever
12 Question 1	Flervalg	Automatisk poengsum	Lever
13 Question 2	Flervalg	Automatisk poengsum	Lever
14 Question 3	Flervalg	Automatisk poengsum	Lever
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16 Question 5	Flervalg	Automatisk poengsum	Lever

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17 Question 6	Flervalg	Automatisk poengsum	Leveret
18 Question 7	Flervalg	Automatisk poengsum	Leveret
19 Question 8	Flervalg	Automatisk poengsum	Leveret
20 Question 9	Flervalg	Automatisk poengsum	Leveret
21 Question 10	Flervalg	Automatisk poengsum	Leveret
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Part 1 - Tesla case - MCQ



General information

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Course code: ORG409

Course name: International Management

Date: September 29, 2015

Duration: 3 Hours

Resources allowed:

Closed book examination

Dictionary is allowed

Notes:

Three part exam:

First part - Case + MC questions

Second part - An open question presented

Third part - general MC questions

Each of the exam parts must not take more than one hour! Please plan your time accordingly.

First part - Please pay attention to answer the questions in regard with the case presented here.

Second part - Again, make sure to answer in regard with the case presented.

Third part - General questions. Please do not refer to any the case presented in the previous part.



Tesla case

Part one - TESLA Case + Questions

Tesla was formed in 2003 and went public in 2010. It is an automaker that design, manufacture and sell fully electric vehicles (EVs), headquartered in Palo Alto California.

While the concept of fully-electric vehicles was not new, automakers had struggled to balance design with performance. Furthermore, the batteries used for these vehicles were not optimal, and a single battery charge only offered a short driving distance. However, by partnering with Panasonic, a major Japanese electronics corporation, Tesla was able to develop a lithium-ion

rechargeable battery for EVs, which solved the driving distance issue. In doing so Tesla succeeded in developing technology that other automakers had been pessimistic about. Tesla also formed partnerships with other automakers and component manufactures, such as Daimler and Toyota. This enables Tesla to overcome design and performance issues and to develop fully electric and optimally designed vehicles.

By December 2012, Tesla had established presence in the United States and Europe.

Furthermore, it had also opened up stores and galleries in Japan and Australia.

In the 2000s, Singapore was one of the wealthiest economies in the world. Alongside a high tax policy for conventional fuel-using cars, the Singaporean government pursued a policy of maintaining a green and clean city that included limiting air pollution. Singapore was technologically advanced and offered local expertise in electronics, power and precision engineering. These factors, together with its small size (short average driving distances), compact urban environment, and robust power grid, as well as an information and communications technology infrastructure, made Singapore an ideal location for testing EVs.

The two main benefits of moving to EVs were then the short average driving distance which fitted perfectly with the range of one fully charged battery, and the reduction in the Singaporean preoccupation with cars as a status symbols. The latter was hoped to be an added benefit if EVs could be seen only as functional vehicles with the single purpose of getting from A to B. The move over to EVs would potentially shift consumer focus from the fastest, most powerful cars to the most environmentally friendly ones.

Tesla opened its first store and service center in Singapore in 2010. It hoped to take advantage of the new program the government offered for companies manufacturing EVs and also those that can develop charging-stations. Eventually, Tesla failed to receive the desired additional tax breaks. Furthermore, a new competitor entered the market. These two made Tesla's cars prices much too high. Therefore, despite all of the favorable conditions, Tesla did not sell a single car in Singapore. Tesla also considered entering China. The electric and hybrid automotive industry in China consisted of well-known car manufacturers such as Mercedes-Benz, Hyundai and Toyota, as well as other Asian brands.

China had been suffering from severe air pollution, and the Chinese government had taken a variety of approaches to reduce emissions, like provide financial incentives for EVs purchases. On the other hand, not like in the Singaporean market, in China Tesla did not have much information on the demand conditions. It was thought that Tesla would need to invest in measures to educate local customers. Also, most people in China lived in apartments with limited parking space, which they often shared with others, which means that Chinese customers were going to experience difficulty charging EVs.

1 OPPGAVE

Question 1

The main difference between Tesla's partnership with Panasonic and those it made with other automakers can be described as:

They are classified into two different entry mode level

- The first (with Panasonic) is categorized as GSP (global strategic partnership), while the others are categorized as Coopetition.**

There is no difference - All are categorized as GSPs.

There is no difference - They are all part of Tesla's ethnocentric orientation.

2 OPPGAVE

Question 2

Can Tesla be referred to as a global company?

- Yes. It has operations in all three main trade blocks.**

Yes. It manages to sell as many cars as its biggest competitor

No. It is considered to be too small for it to be called truly global

No since it only approaches niche market

3 OPPGAVE

Question 3

Singapore was considered to be a favorable location due to its:

Economic and cultural environments

Economic and technological environments

Economic, cultural and political environments

- Economic, technological and political environments.**

4 OPPGAVE

Question 4

The two benefits for the Singaporeans can be considered from Tesla's point of view as:

The first as an opportunity and the second as a threat

The two as Strengths

The two as weaknesses

The first as a strength, and the second as an opportunity

5 OPPGAVE

Question 5

Tesla's operation in Singapore:

Do not follow the Uppsala model since it did not start by exporting

Do not follow the Uppsala model since it started operating in its home market prior to entering Singapore

Do not follow the Uppsala model since it considered entering China after Singapore

Do not follow the Uppsala model since it started operating in Singapore right after entering several psychologically-close markets

6 OPPGAVE

Question 6

The electric and hybrid car industry, as perceived by Tesla when entering China, can be described as:

Multi-domestic - Known companies as well as smaller less known ones

Global - Only big and well known car producers

Polycentric - adapting to local needs

None of the above

7 OPPGAVE

Question 7

The rationale behind using a wholly owned subsidiary in Singapore is based on:

Lack of potential partners in specific countries

Taxation reasons - the company can benefit from using its revenues this way

A combination of the target country's favorable risk profile and the company's need of high control

Wanting to reduce risk in highly volatile markets

8 OPPGAVE

Question 8

Tesla's tendency to engage in collaborations can be viewed as based on:

Either the RBV (Resource-based View) or the TCA (Transaction Cost Analysis) theory

A combination of RBV (Resource-based View) and DCA (Dynamic Capabilities Approach)

The DCA (Dynamic Capabilities Approach)

The network theory

9 OPPGAVE

Question 9

In comparison to the Singaporean market, the Chinese market can be considered as:

A high potential market

Very risky in terms of the cultural/social environment

Very attractive in terms of demand

Very risky in terms of the political environment

10 OPPGAVE

Question 10

In regard with Porter's Diamond Model, comparing Singapore to China:

Both showed stable competitive advantage base

Both lacked any relevancy to Tesla's competitive advantage

China was considered more attractive due to the opportunities embedded in its environments

Singapore showed a stronger presence of related and supporting industries

Part 2 - Tesla case - open question

11 OPPGAVE

New Question

Based on the case presented here - how would you describe the strategic fit of Tesla's operations in Singapore? Please state if there was / was not a strategic fit and provide relevant arguments to support your claim (up to 250 words)

Fill in your answer here

BESVARELSE

I believe that there was a strategic fit for Tesla prior to their inability to achieve the tax breaks needed for their vehicle. However it was very minute, and after failing to attain the tax breaks it became strategically un-fit for them to do business in Singapore. Three sides to the strategic fit model: knowledge, product, and market lead this analysis. Knowledge-wise Tesla had the capabilities and resources to produce a high-quality product that would service the 'A-B' needs of vehicle travel in Singapore: STRENGTH. Market-wise the country/industry environment was searching for a green solution to their travel needs, but this aspect was volatile because of the lowering preoccupation with cars as a symbol status and design improvements was a focus of Tesla: Neither Strength nor Weakness. Product-wise we utilize the marketing mix to understand how the strategic fit of Tesla became unfit. While their product originally served the needs of the country/industry environments, the price and promotion of the product became lost to local competition when they could not attain the tax breaks they sought as well as promoting as effectively to the local consumers. Because of this alteration in the environment that could not be foreseen by Tesla, I believe it was wise for them to see it as strategically fit to enter, although changes in the environment lead to it becoming strategically unfit.

Part three - General questions - MCQ

12 OPPGAVE

Question 1

The Uppsala model consist of four main factors, which of the alternative below is not included in the model:

- Current activities
- Market knowledge
- Market commitment
- Ownership advantages**

13 OPPGAVE

Question 2

Porter's National Competitiveness model consists of:

- Demand conditions; technological development; firm strategy, structure and rivalry; factor condition
- Factor conditions; demand conditions; technological development; firm strategy, structure and rivalry
- Factor conditions; demand conditions; related and supporting industries; firm strategy, structure and rivalry**
- Factor conditions; local demand; related and supporting industries; firm strategy, structure and rivalry

14 OPPGAVE

Question 3

What kind of companies can operate in a multi-domestic market?

- Local, and Multinational companies
- Only Global and International companies
- Only multidomestic companies
- Local, International and multinational companies**

15 OPPGAVE

Question 4

Privatization and Nationalization are both examples of conditions within the?

- Political environment**
- Economic environment
- Technological environment
- Social/Cultural environment

16 OPPGAVE

Question 5

What characterize GSPs (Global Strategic Partnerships)?

- Two or more companies; Independent participants
- One global strategic company, who are independent and has all the control
- Shared benefits and control
- Both a and c**

17 OPPGAVE

Question 6

Which of the following entry modes are associated with high control and low flexibility?

- Intermediate modes (contractual modes)
- Export modes
- Hierarchical modes (investment modes)**
- There are no such entry modes

18 OPPGAVE

Question 7

Which are the three parts of The Triad?

- NAFTA, The Middle East and Europe
- EU, NATO and the AU (African Union)
- The USA, OECD and the far East
- NAFTA, Asia and the Far East, and Europe**

19 OPPGAVE

Question 8

What is the main difference between RBV and DCA?

- While the RBV is defined by the synergy between the company's resources and capabilities, the DCA is emphasizing the company-environment relationship**
- RBV focuses on cost leadership while DCA focuses on the company's capabilities
- RBV focuses on the capabilities-environment relationships while DCA focuses on the networking aspect
- None of the above

20 OPPGAVE

Question 9

The Standardization-Adaptation dilemma in international marketing strategy means:

- How many local people to employ in foreign subsidiaries
- The extent to which products and services may be standardized across national boundaries or need to be adapted to meet the requirements of specific national markets**
- Whether to centralize strategic decisions in head office or to devolve decision-making to subsidiaries
- The issues related to globalization and the alleged disadvantaging of developing countries

21 OPPGAVE

Question 10

What is the main difference between Political, Economic, and Social / Cultural environments?

- The first two are analyzed based on their level of risk and the third is analyzed based on the gap between the home and the host countries**
- The first two are analyzed using SWOT and the third is analyzed using the Diamond model.
- The first two are more critical than the third
- All of the above

22 OPPGAVE

Question 11

The difference between market-driven economy and centrally determined economy is:

The first is based on supply and the second one on demand

- The level of political involvement - in the first the involvement is very low while in the second there is a higher level of political involvement**

The first is more common in developed countries while the second is associated with developing countries

None of the above

23 OPPGAVE

Question 12

Ownership risk, Operating risk and Transfer risk are all part of the:

Socio-cultural environment

Economic environment

Technological environment

- Political environment**

24 OPPGAVE

Question 13

The most basic level of a trade agreements is:

Custom union

Economic union

- Free trade area**

Political union

25 OPPGAVE

Question 14

The five cultural dimensions of Hofstede's theory are:

Ethnocentrism, Uncertainty avoidance, Masculinity, Individualism, Long-term orientation
Uncertainty avoidance, Long-term orientation, Masculinity, Collectivism, Geocentrism
Individualism, Masculinity, Power distance, Collectivism, High context

- Long-term orientation, Power distance, Individualism, Masculinity, Uncertainty avoidance

26 OPPGAVE

Question 15

In the Integration and Responsiveness matrix, the Economic integration refers to:

The level of globalization of the industry
To what extent the company is socially integrated in the market
To what extent does the company agree with political restrictions

- To what extent is the country integrated in the global commerce

27 OPPGAVE

Question 16

Franchising is a form of:

- contractual entry mode
Export entry mode
Joint venture
Investment entry mode

28 OPPGAVE

Question 17

Which of the following alternatives is a proactive motivation for international operations?

- Growth and profit**
 - Local competition
 - Closeness to markets (psychological distance)
 - Small home market

29 OPPGAVE

Question 18

When it comes to strategic orientations, a Geocentric orientation is:

- “Copy-Paste” of the company’s own beliefs and norms from the home-market to the host-markets
- Based on a mixture of values and norms of different regions (like the Europe region)
- Based on adapting to local needs
- An overall unified strategy regardless of the company’s nationality**

30 OPPGAVE

Question 19

Hofstede argues that:

- International firms can easily transfer their ways of working from one country to another
- Business does not need to take into account the norms and values of the countries where they operate
- Each country has a single culture
- National culture has a great influence on international businesses**

Question 20

The one common principal shared by all the theories introduced in the course (TCA, RBV, DCA, and the network) is:

- They all follow the cost-benefit ratio as the main base for decision making
- They were all developed and used only within the USA
- They all provide a framework for the company's planning and decision making, each according to its core principal**
- None of the above