

**In addition to the first set of questions, this second set intends to be a sort of guide for the forthcoming oral examinations. Good luck!**

Unit 1

- 1) Given that GDP growth has been notoriously higher than the growth of population worldwide, what conclusions can you possibly draw?
- 2) With regard to the previous question, what was Thomas Malthus' stance on the issue and what would be the derivation in terms of economic sustainability? What would be the result in terms of (real) wages?
- 3) Opposing Malthus' law, what has experience taught us? In particular, how would you reconcile his 'law' with the actual evolution of real wages?
- 4) What is the difference between any measure of GDP and the same measure adjusted by PPP? Provide an example. Why non-adjusted measures can be misleading?
- 5) What has been the evolution of trade in the past decades? What has been the pattern in different regions of the globe? Why some of these have experienced a more pronounced surge?
- 6) What is FDI (and how to measure it)? Give a real life example. What has been its evolution and how would you explain the different patterns among regions?
- 7) What can be said about FDI being a strategy for "circumventing future trade barriers"?
- 8) What is offshoring? What main strategies would you recognize given the location decision and the ownership decision? Provide an example.
- 9) What are the two kinds of offshoring recognized in the literature? How do they differentiate? What are, in general, the main drivers behind such a business strategy?
- 10) What has been the progression of offshoring activities in the last half a century? What do you see in the type of activities involved? Is there a role for the Internet? What kind of activities do you see as particularly involved in Internet-based offshoring strategies? Give an example.
- 11) What are the possible socioeconomic effects of offshoring, both positive and negative?
- 12) What are the main drivers of globalization in general?
- 13) Think about the possible positive effects of globalization and think about a counter-argument (negative). In turn, think about another possible negative effect and its counter-argument (positive). If both positive and negative effects are expected, why is globalization usually promoted as something widely beneficial?

## Unit 2

- 1) Explain the concept of division of labor by way of an example (think about 'Friedman's pencil' but use another example).
- 2) What is the main message of Friedman's video about the pencil? Explain.
- 3) What are the main obstacles faced by any economic system and what is the solution offered by the capitalist system?
- 4) Explain the concept of 'absolute advantage' and then use an example (be original!).
- 5) Explain the concept of 'comparative advantage' and then use an example (be original!).
- 6) What is the main conclusion of Ricardo's model? Further, when is this conclusion not supported by experience? Explain.
- 7) What are the common misconceptions of international trade?
- 8) What are the main features of the Heckscher-Ohlin model?
- 9) Why do governments protect their industries? What can be the consequences?
- 10) In reality, what is the 'true' model that would help us understand the patterns of international trade?
- 11) What is the whole idea behind Porter's diamond? What are the four attributes that shape the firms' environment?
- 12) What do we mean by saying that the diamond is a "mutually reinforcing system"?
- 13) Explain one theory of FDI (or in words, why does FDI usually take place?).

## Units 3 & 4

- 1) Describe the physical and social factors involving the international strategy for the average firm.
- 2) In particular, what is the liability of foreignness? What are its sources and consequences?
- 3) Describe the competitive environment shaping the international strategy of firms. Provide examples for the two main strategies (cost and product differentiation).
- 4) Briefly describe the three possible paths for globalization in the future according to Daniels et al., and relate to Prof. Ghemawat's hypothesis that the world "is not (yet) flat".
- 5) Explain what the CAGE framework is.
- 6) Use the CAGE framework to produce at least two examples (from two of the letters) on why some particular business can fail or have success.

- 7) Name a few sectors/industries that can be affected in a different way according to the CAGE framework.
- 8) Describe the workings of the triple-A triangle (Ghemawat). What is its goal? What are the main global strategies outlined by it? What is usually the best approach as far as taking up different A's is concerned?
- 9) Explain a real-life example of a firm going through some (or all) of these different strategies (you can use some of the examples from Prof. Ghemawat's article).
- 10) Suppose that, according to the triple-A triangle, a firm has a significantly high aggregation ratio. What would be your advice concerning the firm's future steps within the sector? Explain by means of an example. What if the firm has now a high arbitrage ratio?
- 11) How would you define 'economies of scale'? Why should they not be the one and only preoccupation for managers when it comes to building a global competitive advantage?
- 12) Explain where the firm gets its value from.
- 13) Explain the two main strategies by which firms can create value. Further, why would they want to create value?
- 14) What is the main effect of competition? Ideally, in the long run, what would be the effect on profits? In which way do monopolies stand out as opposed to a perfect competitive situation?
- 15) Explain, very briefly, the dynamics behind the typical value chain.
- 16) How business operating internationally can outperform those other focusing strictly on domestic markets?
- 17) According to the conventional approach, what are the four main strategies for conducting business internationally?
- 18) Define the concept of corporate social responsibility.
- 19) Explain Friedman's take on the issue and why, according to his view, it is detrimental to society—a "fundamentally subversive doctrine".
- 20) Explain the following example under the light of what has been discussed on corporate social responsibility. "Firms in a certain industrial sector are not permitted to emit CO<sub>2</sub> gases beyond a level regulated by law. However, a conscientious environmentalist in the top management of a leading firm of the sector decides to cut his company's emissions by a far larger extent". What would be the consequences of such a decision?