

## **Exam International Business Strategy**

Multiple Choice (/25)

What is the correct answer and explain why

Question 1: Firm wants to expand to a new country. Product has low value-to weight ratio. Firm and management don't have much knowledge about the country. The risks and costs of investing the new country are high. What is the entry mode?

Options: JV, Exporting, Licensing, Wholly Owned Subsidiary

Question 2: Which of the following expressions is untrue:  
The European Union is a perfect economic union.

Question 3: Which of the following expressions is true:

- Strategic Trade Policy is used to nurture and protect firms and industries where first mover advantages and economies of scale are important.
- Smith, Ricardo and Heckscher-Olin justify limited and selective government interventions.

Open Questions (/25)

1. LE wanted to move its HR business to Chile. Given an overview of the dimensions of Hofstede of Chile (we got the ratios of Chile and the US), explain the dimensions of Hofstede's model and analyze if Chile is a good country to expand to.
2. Give how expanding internationally can add value. Compare with the product life cycle and analyze which dimensions are of more importance during the product life.

Case (/35)

Volkswagen and Ford who had a joint venture in the Brazilian Market during the 80's. The JV failed.

- What type of cooperation did Ford and Toyota had? What are the advantages and disadvantages from Ford's perspective?
- What were the objectives of the cooperation from Ford's perspective? Did they align with Volkswagen? Was the agreement effective? Did it work out?
- Which internationalization strategy did Ford pursue after the dismantlement of the JV?