Examen Global Value Chains - Januari 2020

Question 1 (7p)
a.   Give the Smile Curve for the laptop industry. Indicate at least 6 activities
b.   How come that some activities take a greater percentage of the value-added. Give 2 reasons. You can, but don't have to, connect it with the laptop example.
c.   The value chains are not static, but dynamic. Give 2 dynamic forces and indicate them on the graph. Explain.
d.
Question 2 (7p)

Question 3 (8p): aggregate VAX differences between countries / sectoral VAX differences

Question 4 (6p)
a.   Assume 2 different industries operating in the same 'home' and 'foreign country'. Why would one industry use vertical specialization and the other branching? (3p)
b.   Assume two companies in the same industry and the same 'home' and 'foreign country'. Why would one company use vertical specialization and the other branching? (3p)

Question 5 (6p)
a.   Explain PRT theory (which elements + what do they mean)
b.   Apply on the following example: a store for men's business shoes is in reality managed by the brand itself, while a store for women's dress shoes is operated independently by the owners of the store
c.   do the predictions of PRT differ from reality? compare
= full page for all three questions

Question 6 (6p)
a.   UK is splitting from the EU at the end of this year. Explain the effect of changing from a deep RTA to a light RTA for UK pharmaceutical companies and customers.
b.   US has a more strict patent law (so it takes longer before a competitor can make a generic product). What will happen if UK gets a deep RTA with US and there is convergence of the patent law. Explain how the effect on UK customers is ambiguous.
c.   Why might it be beneficial for UK companies that have a market in the UK and EU to move production or headquarters to Norther Ireland if there are different regulations there for EU and UK