Examen Political business strategy Januari 2022

(TIP for next years: bring a dictionary, there are many difficult words in the articles)

Q1: Article about Yellowstone and wolves from 2015
   a) Are there sound economic efficiencies for the government to intervene? Unsure, but I put yes, some externalities and high transaction costs
   b) What 2 policies could the government implement to get to the optimal amount of wolves?
   c) Should the rangers and environmentals care which ones they implement? I used Coase Theorem but unsure
   d) What is the nature of political competition? Majoritarian or entrepreneurial (unclear whether the environmentalists were organised)
   e) Are there sound economic efficiencies for the government to intervene in regards to the snow mobiles? Yes, negative externalities like noise and pollution

Q2: Article about the special election in Alabama where the democrat candidate won from 2018 (Tip for next years: read up on the American election system, all the articles were American ones) → This was a very strange question.
   a) Did the Republican party choose the wrong candidate (they chose a very extreme right one), why? Yes, Median Voter Theory
   b) In general, what type of candidates do you expect to win the first round? And second rounds? What about a 2 party system, like the US?
   c) Even if they chose a good candidate, it wouldn't necessarily mean the republicans would win. Give 2 reasons why, which one is applicable to the situation in Alabama?
   d) This was a special election, why will the results be corrected at the next normal election?

Q3: Article about Boeing planes crashing
   a) Are there sound economic efficiencies for the government to intervene? Unsure, but I put yes, moral hazard (they abused their power position)
   b) If you were in charge, which nonmarket strategies would you have used, explain? Representational strategies, rent chain! (there are only 2 plane producers Airbus and Boeing and over a million employees working at Boeing or it's suppliers)
   c) Which I (of the 4 I's) did they ignore, explain? Information
   d) What is the strongest nonmarket asset of Boeing, explain? Coalition, they represent a lot of people