



Lecture International Corporate Strategy (SS 11) - Final Exam

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Final Exam

In the Final Exam to this class, you will have one hour to solve the problems with a maximum of 60 points. There are a few pieces of general advice we can offer at this stage:

1. Use the theoretical tools and terminology you have learned in class and from the textbook.
2. Make sure there is a clear structure in your argument.
3. Use the time you have! If you are ready much earlier than we planned you should wonder if you forgot something.
4. Remember: people have to be able to decipher what you write.
5. Leave a margin for our comments, so we can give you a more detailed feedback than just the number of points.
6. You are welcome to use a **dictionary** and a **calculator**.

Here is the set of problems:

Answer *only* 4 of the following 5 questions! (max. 20 points for each question)

1. A company's management team implemented a new strategy three years ago. Now the team wants to evaluate whether or not the strategy was a success. The capital employed in the strategy was: $t_1 = 10$, $t_2 = 44$, and $t_3 = 10$ (all in mill. US\$). The operating revenues and the operating expenses of the company are as follows: operating revenues $t_1 = 140$, $t_2 = 130$, $t_3 = 130$ (all in mill. US\$); operating expenses $t_1 = 60$, $t_2 = 80$, $t_3 = 40$ (all in mill. US\$). Calculate the return on capital employed (ROCE) for each year. First, compare the company's strategy performance across the three periods, then compare the strategy performance to the major national competitor (ROCE: $t_1 = 5$, $t_2 = 3$, $t_3 = 7$), and, finally, compare the strategy performance to the international industry average (ROCE: $t_1 = 7$, $t_2 = 6.5$, $t_3 = 7.5$). What are your conclusions and suggestions for the future strategic direction of the company? Briefly discuss the potential problems related to ROCE.
2. Describe and explain the impact of a corporation's value chain from a corporate social responsibility perspective. You are welcome to use examples to illustrate your findings.
3. Describe and explain the different perspectives included in the Balanced Scorecard in the context of an international strategy. Give real or stylized examples to support your statements.
4. What are the six types of external factors that should be examined as part of a PESTEL analysis? Give an example of each type of force.
5. Explain the various sources and uses of funds to finance a MNC's international strategy.

