

International Cooperation

Quiz #1 Study Guide

Note: Below is a list of study questions for the upcoming Quiz #1 (Mon., March 29; the quiz covers Notes 1, Notes 2, Supplements 1, 2, 3, 5, 6, supplementary notes during class and the “Rival Carrier . . .”; Supplements 4 and 7 are not included). Please answer the questions (all of them or as many as you can) as a way of preparing for your quiz. Most, if not all, of the study questions here will appear in the quiz. (Some of them could also appear in a slightly different format than shown here.) Since you don’t know which ones will be in the quiz, it would be a good idea to answer all of them. Please don’t ask me for the answers although you can ask me for clarification of the questions. Also, there could be some other questions on the quiz that are not found on this list. The best way to use this study guide is to try to answer all the questions as best as you can on your own and then compare your answers with those of your classmates’. Then *discuss* why your answers are different so that you learn the reason why. Form a study group if you can. –Rudy

Instructions: This quiz is closed notes, meaning you are not allowed to use your notes. You may use a dictionary but *only* a dictionary and nothing else. *No* sharing of dictionary allowed. Bring your own. On the multiple choice questions, circle the correct answer. There is only *one* correct answer in each question.

1. What is a competitive advantage?
2. France is excellent in making wine. This is an example of a country with a _____ in making wine.
 - a. strategic flexibility
 - b. strategic alliance
 - c. complementary capability
 - d. core competency
3. What is a cooperative strategy?
4. The major difference(s) between strategy and tactic is (are) that
 - a. strategy involves fewer resources and less time while tactic involves a significant amount of resources and more time
 - b. tactic is coordinated while strategy is haphazard (not orderly)
 - c. strategy is part of a big plan while tactic is not part of a big plan
 - d. tactic involves fewer resources and less time while strategy involves a significant amount of resources and more time
 - e. all of the above
5. A type of strategic alliance between two companies in which there is a possibility that the company formed as a result could be paralyzed from going forward because the two companies that have an equity ownership in it are not in agreement is
 - a. an equity strategic alliance
 - b. a non-equity strategic alliance
 - c. a joint venture
 - d. a minority equity strategic alliance
6. If Shinhan Bank (a large bank in Korea) and Kookmin Bank (also a large bank in Korea) were to decide to form a strategic alliance, the *primary* reason for this alliance would be to
 - a. enhance competitive capabilities
 - b. gain access to resources
 - c. reduce competition among banks in Korea and increase their combined market share
 - d. take advantage of opportunities
 - e. build strategic flexibility
7. When a company decides to hire only younger workers, then
 - a. it’s probably or likely because it wants to be a more flexible company.
 - b. it is possible could be practicing (or engaging in) age discrimination.
 - c. it probably believes that “Old dogs can’t learn new tricks,” meaning that older workers are harder to retrain
 - d. all of the above
 - e. only (a) and (b) above
8. The reason(s) for strategic alliances by market type include
 - a. slow-cycle market
 - b. fast-cycle market
 - c. spin-cycle market
 - d. all of the above
 - e. (a) and (b) above
9. Technology or high-tech companies like Intel and Hynix would be considered as competing in a
 - a. standard-cycle market.

- b. fast-cycle market.
- c. slow-cycle market.
- d. spin-cycle market.
- e. all of the above.

10. When companies band together to take advantage of group discounts in a joint (single-order) purchase, this example (or practice) is most likely to be found under a
- a. slow-cycle market
 - b. fast-cycle market
 - c. spin-cycle market
 - d. standard-cycle market

11. What are economies of scale?

Supplement 3 and 5

12. According to the article “Sony, Seiko in Talks Over LCD Alliance,” what are the factors (or reasons) responsible for the struggle of Japan’s electronics industry these days (at the time the article was written)?

13. In the same article on the Sony-Seiko alliance, what is one reason for Sony’s strategic alliance with Seiko Epson?

14. From the same article on the Sony-Seiko alliance, what are the components of the restructuring move by Seiko Epson?

Supplement 3 and 6

15. What has made the effect (impact) of the global recession worse (more difficult) for the Japanese economy?

16. What does it mean if the U.S. has a trade deficit with China?

17. What does it mean if the U.S. trade deficit with China is shrinking? If expanding?

18. Why would a decline in Asian or Chinese exports be bad news for the U.S. economy?

19. What is the relationship between yields (or interest rates) and U.S. home prices?

20. Why is changing the co-dependent relationship between the U.S. and China ultimately (in the end) be healthier for both countries?

Supplement 2

21. What does Cisco bring to the table (meaning, what does it have or hope to contribute) to its alliance with Tata Consultancy? How about Tata Consultancy, what does it have that it’s bringing to the table?

Supplement 1

21. What does SK Telecom bring to the table (meaning, what does it have or hope to contribute) to its alliance with RealNetworks? How about RealNetworks, what does it have that it’s bringing to the table?

23. What is the name of the alliance of the three Korean mobile carriers? Why are they establishing an integrated mobile application store to compete with the Apple Store or Google’s Android Market?