



**FINAL EXAMINATION
MAY 2018 SEMESTER**

SUBJECT CODE : MNC721
SUBJECT NAME : MULTINATIONAL CORPORATION
LEVEL : MASTER'S DEGREE
TIME / DURATION : 2.00 PM – 5.00 PM
(3 HOURS)
DATE : 18 AUGUST 2018

INSTRUCTIONS TO CANDIDATES

1. Please read the instructions given in the question paper CAREFULLY.
2. This question paper is printed on both sides of the paper.
3. This question paper consists of ONE (1) section, Section A.
4. Answer FOUR (4) questions ONLY.
5. Please write your answers in the answer booklet provided.
6. Answer all questions in English.

THERE ARE TWO (2) PAGES OF QUESTIONS, EXCLUDING THIS PAGE.

SECTION A (Total: 100 marks)

INSTRUCTION: Answer FOUR (4) Questions ONLY.

Please use the answer booklet provided.

Question 1

Historically, multinational corporations (MNCs) have evolved from local to regional to national to continental to global enterprises. Analyse this evolution through any theoretical framework(s) that can explain WHY they came about (market or other conditions that enable their emergence), HOW they came to be continually successful (grown larger and profitable), WHERE they tended to expand into, and WHAT their future looks like in a global economy characterized by CLOSER INTEGRATION (less trade/investment barriers among countries), CLOSER TOGETHER (both transportation and communication) and CLOSER KNOWLEDGE (instant spreading of ideas, knowledge and learning).

Your answer can be one "grand theory" that explains everything or several theories that explain different aspects of this question. Illustrate your answer with appropriate examples, and focus your answer on theories that explain the phenomenon of MNC evolution, growth and global dominance over the past century.

(25 marks)

Question 2

MNCs have been accused of exploiting the (host) countries where they operate as well as have been credited with helping to bring about economic development in host countries. Under what conditions and in what ways have MNCs exploited host countries as well as produced economic benefits to host countries? If you were advising your government, what recommendations would you make to maximise the benefits and minimise the costs of foreign MNCs operating here? Discuss.

(25 marks)

Question 3

MNCs serve, operate or "enter" foreign markets through a variety of entry-modes, ranging from EXPORTS to LICENSING to FRANCHISING to JOINT VENTURES to WHOLLY-OWNED (100%) SUBSIDIARIES. Do you see any TRENDS across the world (or in just your country) in MNC reliance on entry-modes? In other words, are some entry-modes becoming more (or less) prevalent than others? If so, explain the trend(s) with examples.

(25 marks)

Question 4

Regional Economic Integration has been attempted since after World-War II, starting with Europe in the 1950s and, more recently, TPP (Trans-Pacific Partnership). Recently countries in the West are resisting or reversing efforts toward economic integration. Explain why are these efforts happening? Evaluate how can the world, as a whole, return to progress toward economic integration?

(25 marks)

Question 5

Many governments create government-owned or government-linked companies, hoping to transform them into global powerhouses. What is your overall assessment of such efforts (funding, strategy, special policies and tax benefits)? Have there more successes or failures? Why? Explain with examples.

(25 marks)

Question 6

If you were the Minister of International Trade and Industry of Malaysia what are some of the policies would you push for and implement to attract move investments into Malaysia and to make Malaysia more competitive? Critically discuss.

(25 marks)

END OF QUESTIONS