

## International Business 2253

Exam January 10, 2011, time: 4 h

Examiner: Kristiina Mäkelä

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Please answer all questions. Note that your answers to question 1 may not exceed 10 lines per sub-question, and your answers to questions 2 and 3 may not exceed 3 pages per question. Please make sure you write clearly. Good luck!

Kristiina

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1. Please provide brief answers to the following questions:

- a) In the lectures we discussed that there are many different layers of culture. What does this mean?
- b) What does John Dunning's OLI framework refer to?
- c) How does International HRM differ from HRM in purely domestic companies?
- d) In which different ways firms can implement a transnational strategy?
- e) How can firms seek to facilitate the building of social capital and knowledge sharing between its different units?

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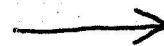
(Max. 5 x 3 points, max. 10 lines per sub-question)

2. Please explain how multinational firms respond to pressures of cost reduction and/or local adaptation. Illustrate with examples.

(Max 15 points, max. 3 pages)

3. Please read the case overleaf and analyze it using the knowledge you have of the relevant course literatures.

(Max. 20 points, max. 3 pages)



### Case XYZ (Question 3)

XYZ is a successful Nordic food and beverages manufacturer with headquarters in Finland, and major operations in the other Nordic countries. Their products have market leading positions not only in Finland but also in Sweden and Norway, with a strong position also in the Danish market. The company is now considering entering into the Russian market which is lucrative and has a lot of future growth potential. Preliminary market research has shown convincing results in that the company's products seem to be well received by Russian consumers. Furthermore, it is very important for XYZ to get a firm foothold on the attractive Russian market before international competitors enter. The company CEO has stated their strategic intent in the last shareholder meeting, and now it is time for action.

You are XYZ's business development manager and a member of the company's top management team. Your task is to present the CEO and the rest of the management team with an analysis of the available options you have, together with an action plan. The upside is clear, but your analysis should evaluate the potential risks associated with entering the Russian market, and compare the advantages and disadvantages of different ways of entering the market. You should finish your analysis with a well-argued recommendation of the best way to enter the Russian market.