

BUSINESS HISTORY

Number Name..... 3/6/2008
1h 45m

Read all the questions carefully.

Part I

In this section any correct answer will be graded with 0.6 marks. Wrong questions will discount 0.2 marks.

Any question has three possible answers, but only one is correct. Put an "X" in the chosen answer.

During the first global economy (1870s-1920s),

- the advanced countries of Western Europe were within the major recipients of FDI.
- the exploitation of natural resources was the most important reason for FDI.
- the United States were the home of the most important flows of FDI.

The evolution of the Thyssen group after the late 19th century and until World War I

- reveals the importance of vertical integration as a strategy to avoid the power of cartels.
- was based on the concentration of production in a small variety of metal goods.
- is similar to similar American firms, like U.S. Steel.

The creation of modern advertising

- happened when previous resellers of advertising space started to add more services to the former activity.
- happened after the Second World War, due to the need to publicize the new chemical and electronic goods.
- occurred when mass producers developed their own marketing departments, which started to sell their services to third-parties.

Choose the wrong sentence.

- The magnitude of internalization of productive and marketing activities within different firms may be explained by transaction costs theory.
- Transaction costs theory may explain the development of multinational business.
- Transaction costs theory denies the principle of bounded rationality.

Choose the right sentence:

- The IBM PC constitutes the maturity of the business computer systems in IBM.
- IBM was responsible for creating the first commercial computer, the UNIVAC.
- IBM's competitive advantage for its initial success in the computer business relied in the punched-card tabulator learning base.

Part II

Choose two out of the following six questions. Do not use more than 250 words for answering to each question. (6 x 2)

1. “Between the 1930s and the 1970s, many of the key components of the first global economy were destroyed, dismantled, or diminished” (Geoffrey Jones). Summarize this process and discuss its consequences.

3. In the evolution of the managerial capitalism, there are similarities in the location, timing and processes of growth of the modern firm. Characterize these similarities, referring the experience of Britain, Germany or the United States.

Part III

Do not use more than 50 words for answering to each of the following questions. (1 x 5)

1. Why cost accounting was so important to American railway firms in the second half of the nineteenth century.

2. Define the typology of mass retailers in the early 20th century and provide two similarities between them.

3. Why brands had been a barrier to entry?

4. Characterise the second phase of marketing, using the example of the automobile industry.

5. Summarize the reasons why machinery makers of capital goods, like General Electric, internalized marketing activities in the late 19th century.
