Question 1: Why is it more appropriate to use the term multinational enterprise rather than international corporation to describe firms engaged in the globalization process? Explain the different phases through which a firm has to go in order to become a MNE. Also discuss the different types of risk the firm faces as it moves through the process.
Question 2: Describe the management objectives of a firm governed by the shareholder wealth maximization model and one governed by the stakeholder wealth maximization model. Give an example of how these two models may lead to different decision-making by executive management.
Question 3: On January 4, 1999 the member nations of the EMU introduced a new unified currency, the Euro, to replace the individual national currencies of many member nations. Identify and explain several of the arguments made both for and against the Euro. Do you think the Euro has proven to be a "good" idea? Why or Why not?
Question 4: Most Western nations were on the gold standard for currency exchange rates from 1876 until 1914. Today we have several different exchange rate regimes in use, but most larger economy nations have freely floating exchange rates today and are not obligated to convert their currency into a predetermined amount of gold on demand. Today several parties still call for the "good old days" and a return to the gold standard. Develop an argument as to why this is a good idea.
Question 5: The mobility of international capital flows is causing emerging market nations to choose between a free-floating currency exchange regime and a currency board (or taken to the limit, dollarization). Describe how each of the regimes would work and identify at least two likely economic results for each regime.