

BADM 544 – Spring 2022: FINAL QUIZ STUDY GUIDE

Anything covered in Coursera or live sessions is fair game for the exam. That said, this should give you a general idea of what we covered in class.

Module 5. Corporate Scope

1. What is corporate strategy?
 - What is corporate scope?
 - What are the three dimensions of corporate scope and the differences between those dimensions?
2. What is vertical integration?
 - Types of vertical integration
 - Motivations for outsourcing
 - Motivations for vertically integrating
3. What are Transaction Costs and Administrative Costs?
 - Two key questions for organizational analysis in Transaction Costs Economics
 - Make vs. Buy: advantages and disadvantages of each of these organizational forms/alternatives.
 - Examples of transaction costs and understand the concepts of Adverse Selection, Moral hazard, and Hold-up problem.
 - Examples of administrative costs and understand the concepts of High-Powered and Weak Incentives, Principal-Agent Problem, Selective Intervention.
4. What is horizontal integration?
 - Different types of diversification
 - What is the BCG matrix, and why is it a valuable strategic management tool?
 - What type of recommendations can we derive from the BCG matrix?
 - What are some reasons larger conglomerates are breaking-up into different parts?
 - What is the relationship between diversification and performance?
 - What is diversification discount (or premium)?
 - What are some motivations for diversification?
 - Understand the two diversification tests (better-off and ownership test)
 - What is resource-relatedness?
 - What are the advantages of each approach to managing diversified firms (autonomous and coordinated)?
 - Nature of synergies and their relationship with scaling and redeployment.
 - What are some alternative organizational modes to horizontal diversification?

Module 6. Corporate Transactions

1. How does organic growth compare to growth through corporate transactions?
2. What are Mergers and Acquisitions?
 - Why companies do M&As?
 - How M&As destroy value?
 - Efficient markets wall and winner's curse
 - Failure to realize synergies and integration problems

- How M&As create value?
 - Differences between stretching and leveraging
 - How do Private Equity companies create value?
 - What are some attributes of successful M&As?
 - What are some post-merger (integration) challenges?
 - Understand the three-part test for M&As
3. What are Divestitures?
 - Understand Divestitures Modes: spin-off, carve-out, and unit sale.
 - What are some reasons for divestitures?
 - What is the impact of divestitures and divestiture modes on innovation?
 - How to manage divestitures?
 4. What are strategic alliances?
 - What are the types of strategic alliances, and how are they different?
 - Why companies form strategic alliances?
 - What are some common problems with strategic alliances?
 - What are some considerations for making alliances work?
 - Why is partner selection important?
 - What are the considerations for structuring alliances?
 - What are the considerations for managing alliances?
 - What is relational governance?
 5. Why having a portfolio perspective is important when considering corporate transactions?
 - How corporate transactions might be related to each other in a portfolio?

Module 7. Global Strategy

1. What is globalization?
 - What are some key globalization trends?
 - What are some causes of globalization?
 - What is the role of Multinational Enterprises and Foreign Direct Investment in globalization?
2. Why do companies go international?
 - What is the liability of foreignness?
3. What are the modes of entry into foreign markets?
 - Understand differences between these modes
 - Understand the advantages and disadvantages of these modes
4. What are born global companies, and why are they able to be successful?
5. Why are some countries more competitive than others in certain industries?
 - What question is Porter's Diamond Model answering?
 - Understand each component of Porter's Diamond Model
6. What are the key tensions (trade-offs) Multinational Enterprises face?
 - What are the four types of international business strategies?

- What are the differences between these four types of international business strategies?
- What are the benefits and risks of these four types of international business strategies?

Module 8. Stakeholders and Governance

1. What is the difference between external and internal stakeholders?
 - What is Shareholder Primacy? How is it changing?
2. What is a public firm, and what are some of the characteristics of public firms?
 - What is the hierarchy of authority in public firms?
 - What do we mean by the separation of ownership and control?
3. What are some lessons from 21st-century financial crises?
4. What is the difference between shareholder primacy and stakeholder analysis?
 - Understand the steps for a stakeholder analysis
5. What is Corporate Social Responsibility?
 - Understand the Pyramid of Corporate Social Responsibility
 - How does (Can) Corporate Social Responsibility help to build Competitive Advantage?
6. What is corporate governance?
 - What is the relationship between corporate governance and agency costs?
 - What are corporate governance mechanisms, and why are they useful?
 - What is the relationship between corporate governance and adverse selection, and moral hazard?
7. Understand the different corporate governance mechanisms.
 - What are the functions of the Board of Directors?
 - How is corporate governance different around the world?
8. Understand how companies have changed away from the shareholder-centric view.
 - How have companies broadened their mission?
 - What are ecosystem strategies?
 - What are some protections from shareholders that company leaders use?