

BUSINESS 111 FALL 2019 FINAL EXAM REVIEW GUIDE

Final Exam Date: SATURDAY, DECEMBER 7TH, 2019

Exam Time: **WLU students: 12 NOON TO 2:30 p.m.**
 UW students: 12:30 p.m. to 3:00 p.m.

Locations: Go to this link for your writing location

<https://students.wlu.ca/academics/exams/assets/resources/fall-exam-schedule-waterloo.html>

Important Notice: If a student cannot write a business final exam as scheduled, they must submit a "Petition for Exception to Academic Regulations" form to the Student and Petitions Coordinator. Supporting documentation will be required and verified. If appropriate circumstances are presented with appeals, students will be accommodated in the next exam session.

Exam Format:

25 Multiple Choice questions = 25 marks

6 Short Answer questions, 2 to 4 marks each = 29 marks

6 Quantitative problems, 3 to 5.5 marks each = 29 marks

83 marks total

TOPICS TO BE COVERED (Items listed in **red indicate quantitative problems):**

Technological Factors

- opportunities and threats of technology
- installed base, lock-in, switching costs, complementary goods, technology standards, network effects – description, importance and connections between them, examples
- four innovation types and challenges they create
- sustaining innovations – what they offer, who they serve, examples
- disruptive innovations – what they offer, who they serve, examples, why disruptive innovations can cause large firms to fail
- tactics for small companies to succeed and for large companies to avoid failure
- technology's impact on industry profitability using Porter's Five Forces framework

Economic Factors

- four pillars of Canadian financial system – description, roles/functions
- bonds – characteristics (return, term, priority over stockholders), factors affecting price, **calculating approximate yield to maturity**, relationship between prevailing interest rates and bond prices, reading bond quotations
- common stocks and preferred stocks – characteristics (return/dividends, term, priority in bankruptcy situations, voting rights), factors affecting price
- market conditions – appropriate investing strategies
- margin buying – concept, rules, when it makes sense, potential losses and gains, **calculation of margin transaction**
- short selling – concept, rules, when it makes sense, potential losses and gains, **calculation of short selling transaction**

- Time Value of Money – **application of appropriate formulae to problems**
- Note: *approx. yield to maturity and margin call formula(e) NOT given, TVM formula(e) given without legend*

Social Factors

Ethics

- Connection between individual ethics, managerial ethics, and corporate social responsibility
- how to influence managerial ethical preferences

Stakeholders

- what their relationship and importance is to business
- why they should be proactively managed; when each stakeholder should be managed
- strategic stakeholder categories and appropriate strategies for managing each category

Corporate social responsibility (CSR)

- what CSR is, why it is important/why managers should focus on it, and how it is connected to ethics and other course models
- five areas of CSR: what they are, why business should focus on them, what actions business can take
- four approaches/levels to CSR

Demographics

- why it is important to business
- cohorts and demographic trends in Canada: describe cohorts and trends and discuss the opportunities and threats each one might create with respect to specific industries

Political Factors

- government influence over business – description and connection to other course models
- intellectual property – types, characteristics, nature of protection and why protection is desired/provided
- business influence over government – description
- forms of business ownership – sole proprietorship, partnership, private corporation, public corporation– description, advantages and disadvantages, compare and contrast
- globalization – description, forces
- considerations and strategies in going international and connection to course models
- barriers to international trade and how to overcome them

IMPORTANT NOTE: Although the exam is not cumulative, you will be required to link course content to the Diamond-E, Porter's Five Forces, and the Critical Success Factors.

Resources

Pearson Textbook: Chapters as indicated in course outline

Pearson chapter quizzes and investment and time value questions

Lab Manual: Buying and Selling Equities – the Mechanics
 Time Value of Money
 Investment Instrument Exercises
 Time Value of Money Problem Set #1 and #2
 Stakeholder Readings
 Canadian Demographics – Government Data
 Two Thirds of Everything
 Boomers and Other Cohorts

YOU ARE ALMOST OVER THE FINISH LINE!

WORK HARD!!! YOU CAN DO IT!!!