

PART I: 50%

Please read the following two articles carefully, and answer each question followed in English.

Article A:

An understanding of power can help to explain the rise of financial personnel in recent years to positions of power in the one hundred largest U.S. corporations.

First, let's look at the facts. Studies that have investigated the background of presidents in large companies have found that manufacturing personnel and entrepreneurs rose to the top in the early part of this century. From the late 1930s to the late 1950s, sales and marketing personnel came to dominate large firms. The period between 1960 and the mid-1980s saw finance personnel increasingly rise to power.

Now let's look at why this occurred. These shifts in the background of corporate presidents essentially reflected changes in the strategy and structure of the organizations, and changes in antitrust laws that promoted an increase in product-related and unrelated mergers after World War II. These changes shifted the power of subunits within corporations, which, in turn, resulted in new leaders coming out of those subunits who could best resolve the problems and uncertainties that the organization faced.

As noted, the early years of this century found corporations run by entrepreneurial types and those promoted out of manufacturing. This reflected the production emphasis and single-products strategies of these firms. But after World War II, large corporations began to develop multiproduct strategies and adopt multidivisional structures. This put a premium on sales and marketing expertise and increased promotion opportunities at the top for individuals with these kinds of backgrounds.

A new strategy emerged in the late 1950s that again changed the power position of subunits in large corporations. This was the creation of the conglomerate -- a set of many, autonomous companies, operating in unrelated businesses. Of course, in addition to the emergence of conglomerates, the federal government was also becoming more tolerant of large-scale mergers. As a result, corporations changed their strategies from growth through increased market shares to growth through acquisitions of different product lines. These forces -- the growth of conglomerates and mergers -- put less importance on the type of goods produced and sold. The emphasis had shifted to rapid growth through acquisitions and maximization of short-term profits. When large corporations are seeking rapid growth and investing in dissimilar businesses, the only criterion that could be used to evaluate investment decisions and the performance of business units was financial. So those with a financial background found themselves in the preferred track on the road to the top.

Questions:

1. What title do you think is appropriate for this article? (5%)
2. What is the rationale behind the shifts of power from production to marketing, and to financial people? (10%)
3. What type of functional background do you think will be held by individuals who will be running large corporations during the decade of the 1990s? Explain. (10%)

Article B:

Cheap labor, abundant natural resources, expanding domestic markets, and hospitable governments have made developing regions attractive to multinational corporations. Increasingly, however, they are retreating from these areas. Many Japanese companies, for example, are pulling out of countries in Southeast Asia that offer low-cost labor and investing in automated production plants back home or in the United States and Europe, right in the middle of the big markets. Should their U.S. and European counterparts do the same?

Cheap labor has proved to be a mirage. In the early 1970s, Singapore was widely believed to be the ideal location for ship-building and assembling consumer electronics. But then everyone moved in, tightening the labor supply and driving wages up. The migration of the U.S. textile industry from New England to Appalachia, Japan, Korea, Taiwan, and on into Indonesia, the Philippines, and India shows the futility of chasing cheap labor. In one country after another labor costs rose, forcing the industry elsewhere about every five years. Perhaps capitalistic China will be the last hope for those companies seeking only low-cost wages.

Labor costs in developing nations now come up to as much as one third of those in developed nations. The advantage of this narrowing differential has been reduced by the decline in the labor content of traditional assembly operations. At the same time, local governments have grown increasingly inhospitable by imposing tariffs, local content laws, and ownership requirements on foreign companies. These barriers are often coupled with political instability and overnight policy changes. The policymakers in many developing countries have no business experience and tend to have difficulty understanding the realities of today's fiercely competitive and yet cooperative international marketplace. More and more the question is whether it is worth overcoming these barriers. Even though the population growth of developing regions has been substantial, their share of the free world's gross national product had not grown at all.

More important is what has been happening outside the developing regions. The "triad" of Japan, Europe, and the United States represents not only the major and fastest-growing market for most products, but also an increasingly homogeneous one. Skyrocketing costs of development and large-scale production in many industries make it essential that companies crack all the major markets. To do that they must become insiders in each region, either directly or through partners, to tune into consumer and technological developments. They can't afford to waste resources in developing regions. Some companies have learned this the hard way. While taking advantage of low-cost labor and materials, and capturing large shares of small markets, they lost touch with their competitors and customers in the major markets.

Some corporations lost sight of the importance of the triad markets. They were misled by macroeconomic data that showed the growth of developed nations slowing considerably. Most realized that the United States' growth was slowing, but few understood that this was a net result of the declining Midwest and East and the rapidly growing West and Sun Belt. Opportunities are great in some booming states such as California, which is bigger than Brazil, and Texas, whose gross state product is bigger than the combined GNP of the Association of Southeast Asian Nations.

Questions:

1. What title do you think is appropriate for this article? (5%)
2. What are the barriers indicated in this article for a multinational corporation to operate in the developing regions? (10%)
3. Do you think that the "triad" markets eventually will become the largest markets to compete for? Explain. (10%)

Part II. There are two sections in part II.**Section 1: Translations (20%)****A: 英翻中**

1. He went on to explain how hard it was for them to accept this, but they finally had to give it up and admit it was something that was beyond their control.
2. You probably know that Internet mailing lists tend to be free discussion groups, focused on particular issues.

B. 中翻英

3. 如果我在股票市場賺了錢, 我一定去環遊世界.
4. 你認為教育真正的目的為何呢?
5. John 是一位非常浪漫而且負責任的好先生.

Section 2: Compositions (30%)

There are two essay topics provided for your choice. Please choose **ONE and ONLY ONE** topic. Before you begin writing, think about the topic. You will probably want to make some notes to organize your thoughts. Your essay should be clear, logical and precise. Support your idea with facts. The quality of your writing is more important than quantity. But you will probably want to write more than one paragraph. Give yourself enough time to read over your essay and make minor revisions before the end of the exam.

Essay Topic 1

Some people say that MBA students should concentrate on their own field of study and that all the classes they take should be closely related to that subject. Others believe that MBA students should get a general business education, taking classes in many fields before concentrating on a single area. Discuss both points of view, using concrete examples. Which view do you support? Give reasons for your choice.

Essay Topic 2

In the 1997 Asia's financial crises, many firms in Taiwan were seriously affected, especially for those engaged in international business. Use your company or others that you are familiar with as examples. Describe in which ways the company was influenced by the financial crisis. How did the company manage to survive the crises, such as changes in organizational structure, financial policies, competition strategies or others? In your opinion, how can firms be better prepared for the next crises?