

Chapter 12 -Revision Questions

1. What are the main objectives that foreign investors pursue when establishing subsidiaries abroad?
2. How do companies choose where to set up subsidiaries?
3. How do trade barriers affect a foreign entry decision?
4. What are advantages and disadvantages of being a first-mover in a country?
5. How can second movers overtake first movers?
6. What are the basic entry modes?
7. What are the advantages and disadvantages of establishing a greenfield operation?
8. What are the challenges that firms face when acquiring a local firm to enter a foreign country?
9. When would firms choose to enter by joint venture rather than with a wholly owned subsidiary?
10. What are the risks associated with different modes of foreign entry?
11. What are the managerial challenges arising in joint ventures?
12. What are partial acquisitions, and when are they used?
13. How can investors vary their acquisition strategies to make the best of opportunities in difficult local business environment?
14. How do operational questions affect decisions over location, mode and timing of foreign entry?
15. How do host country institutions influence the design of entry strategies?