4.1 Multinationals and Global Market Entry Strategies: 10-minute Pack

AQA 7132 · Calculators not allowed · about 10 minutes

Total Marks

Name: _____ Date: ____ / ____ / _____

Answer ALL questions. Use full sentences for the three extended questions (the last three). Show any simple working for calculations.

1 Identify two factors that influence where a multinational locates production overseas.

(Total for Question 1 is 2 marks)

2 State one cultural factor a multinational should consider before entering a foreign market.

(Total for Question 2 is 1 mark)

3 Explain one disadvantage to a multinational of using licensing to enter an overseas market.

(Total for Question 3 is 3 marks)

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Mark scheme · 4.1 Multinationals and Global Market Entry Strategies: 10-minute Pack

Question 1

labour costs	**B1**
infrastructure or political stability or proximity to markets or trade barriers (any one listed as second)	**B1**

Answer: Any two, e.g. labour costs and infrastructure.

Question 2

any one valid cultural factor, e.g. language, consumer preferences, local customs or religious practices	**B1**

Answer: Any one cultural factor, e.g. language differences, local consumer preferences, customs or religious practices.

Question 3

identifies a disadvantage, e.g. loss of control over the brand or technology	**B1**
develops the point, e.g. the licensee may produce lower quality or use the technology improperly	**B1**
links to an outcome, e.g. this can damage the multinational's reputation and reduce future sales	**B1**

Answer: Licensing can lead to loss of control over the brand or technology because the licensee may produce lower quality or misuse the technology, which can damage the multinational's reputation and reduce future sales.

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