Exercise: Integrated Business Economics (EE488)

1. If you were a business consultant of one multinational corporation (MNCs) which wants to invest in Thailand please explain the business environment in Thailand. Please explain what kind of business that the MNCs should invest? What are key success factors for doing business in Thailand?
2. Please explain how Michael E. Portor's five competitive forces shape strategy of IBM for selling its personal computer business brand and technology "ThinkPad" to Lenovo Group Ltd. Later IBM bought a consulting "PricewaterhouseCoopers" and became the provider of services to help clients install and run computer systems?
3. Standard economic theories suggest that as long as there is free entry, each company's (economic) profit would go to zero in the long-run. Do you expect this to be the case for "YOUR GROUP's business plan? Why or why not? What are the strategies that you plan to adopt in order to prevent your profit to decrease from future competition?
4. Please explain four step of forecast total market demand using YOUR GROUP's business plan.
5. What are the roles of business economics in strategic business planning? Please explain by using the example of convenience store 7-11
6. Successful business strategy is about actively shaping the game you play, not just playing the game you find. Please explain how to use game theory to shape YOUR GROUP's business plan strategy.
7. Apple Inc. plans to develop a specifically targeted lower-end device. Apple launches the cheaper model, the iPhone 5c. However, the iPhone 5c hasn't quite performed up to expectations. Apple has cut production of iPhone 5c in half. Was Apple's iPhone 5c a Mistake? Why? Please explain by using business economics.
8. Please explain how to use Business Economics in marketing decision (eg. Product; Price; Place; and Promotion) by using the example of "YOUR GROUP's business plan.
9. The concept of shared value which focuses on the connections between societal and economic progress has the power to unleash the next wave of global growth. Please explain YOUR GROUP's business plan can create shared value opportunities.
10. According to YOUR GROUP's business plan, explain the pricing strategies that you propose to adopt. Also explain you reason(s) why you adopt such pricing strategies.
11. What is the amount of money that your group proposed to borrow? To be honest, suppose you are a profit-maximizing lender who is considering whether he/she should lend his/her money to support "YOUR GROUP's" business project. Would you decide to lend your money? Explain why or why not.
12. Is it always the case that the employee's objectives align with those of the business owner's? Why or why not? Now, for your group's business plan, discuss how you would compensate your employees (for example firm's executive, sales person, production engineer, financial and accounting officers, security guard and housekeeping) in order to maximize your business objectives. You can have different compensation schemes for different types of employees.
13. The "make" or "buy" decision is one of the most important business decisions to make. In "YOUR GROUP's business plan, do you decide to produce your own product or to outsource the production? Explain Why. Also explain what pros and cons of each option are.
14. What is "YOUR GROUP's strategic business plan? How would your business activities be consistent with the strategies (Strategic fit)? Please explain by using the 4P framework (product price place promotion)
15. Explain the meaning of the "Net Present Value (NPV)", the "Internal Rate of Return (IRR)", and the "Payback period". Also explain how we can use each of them to evaluate business plans.