# Quiz

**Please fill in using the words presented below.**

1. Delegating too much power to foreign subsidiaries is problematic. It is because of (1)**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**, (2) opportunistic behaviours, (3) increase in transaction cost, & (4) barriers to strengthening global value chain systems in the MNC network.
2. **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** implies confidence that a partner will not exploit the vulnerabilities of the other.
3. One of the key agglomeration advantages is **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**.
4. Japanese FDI in the United Kingdom has dropped since 2000 because of (1) the emergence of new competitors from Asia, (2) increased FDI destination options; & (3) **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**.
5. **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** provide a means to access resources held by local firms, including resources, such as networks that may help to counteract idiosyncrasies of a weak institutional context.
6. **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** may be prohibitively costly because of the inefficiency of financial markets.
7. **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** is a core part of the subsidiary-specific advantages which enable the subsidiary to perform effectively in the local market.
8. **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** arises (1) when the goals of the principals & the agents conflict & (2) when it is difficult or expensive for the principal to verify what the agent is actually doing.
9. **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** attaches importance to the logic that a firm’s competitive advantage lies in its internal organization.
10. **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** can be a valuable governance mechanism to align the CEO’s interests with those of the shareholders.
11. The issue of **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** is caused by (1) consistency & rationality motive, (2) implicit theories & illusory correlations, (3) social desirability, (4) leniency biases, and (5) mood state.
12. **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** means the degree of strategic & operational decision-making authority delegated to foreign affiliate management.
13. Key context-specific resources include **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**.
14. Where **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** make markets highly efficient, foreign entrants would probably be able to use contracts to arrange most transactions.
15. **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** may reinforce popular doubts about the legitimacy of the system as a whole & evokes images of bosses writing their own performance reviews & setting their salaries.
16. **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** include licensing, outsourcing, & franchising etc.
17. **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** enables a firm to secure resources which are vital to reduce risks & improve performance & reflects varied & crucial resources (e.g., advice, counsel, & legitimacy) for better decision makings.
18. **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** positively influences startups’ performance due to legitimacy & acceptance.

The agency problem / trust / technological spillovers / stock options / population density / contractual alliances / common method variance (CMV) / subsidiary autonomy / acquisition / networks with different actors / non-participation of the UK in the Eurozone / subsidiary knowledge creation / the resource-based view of the firm (RBV) / subsidiary isolation / strong institutions / CEO duality / board capital / JVs