

TITLE OF THE EXAM : MOCK EXAM
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1.(a) Demand is the desire of a buyer and his ability to pay for a particular commodity at a specific price.

Supply is the quantity of a commodity which is made available by the producers to its consumers at a certain price.

b) Elasticity of demand is an important variation on the concept of demand.

An elastic demand is one in which the change in quantity demanded due to a change in price is large. An example of two products with elastic demand is washing machine and automobile. These are items that are purchased infrequently and can be postponed if price rises.

2. G-20 - The Group is composed of the 20 Finance Ministers and Central Bank Governors from 20 major economies: 19 countries plus the EU, which is represented by the President of the European Council and by the European Central Bank.

Collectively, the G-20 economies comprise more than 80 per cent of global GDP and world trade (including EU intertrade) and two-thirds of the world population.

3. Multi-domestic.

The multi-domestic business strategy invests in establishing a presence in a foreign market and tailoring its products to the local market. Companies adapt their products and offerings and reposition their marketing strategies to engage with a foreign audience. This includes taking into account foreign customs, traditions and cultural traits.

Nestle is a great example of a company using a multi-domestic strategy. It takes a different marketing and sales approach in each of its markets and adapts its products to local tastes.

4. A global value chain is divided among multiple firms and geographic spaces and you can share your products with other countries.

For example as Toyota does with their cars. They use the labor and materials from multiple suppliers in different countries, is assembled in another country and was designed and ultimately be sold in other places.