

Lomonosov Moscow State University
Faculty of Economics
Master's programme
Subject Area «Management»
Admission Exam Programme «International Business Management»

FIRST PART (TEST)

The first part of the exam would be conducted in the form of test with multiple choice questions. The main objective of this part of exam is to assess the level of knowledge in the field of Management, Economic Theory and Statistics. Students should be able to demonstrate the knowledge of basic theories and models in the following areas and the skills of how to apply these theories to given situations. Aforementioned are the prerequisites to study international business management.

MODULE 1. ECONOMIC THEORY

Demand and supply. Market equilibrium. Direct price elasticity of demand. Income elasticity of demand. Cross price elasticity of demand. Elasticity of supply.

The theory of consumer choice. Indifference curves and the utility function of the consumer. Marginal utility. Marginal rate of substitution in consumption. Budget constraint. Consumers' optimum. The price-consumption curve and the demand curve. Income effect and substitution effect.

Production theory, theory of costs and profits and supply in perfect competition. Production function. Average and marginal resource products. Scale effect. Cost as a function of the quantity and value of resources. The principle of minimizing costs. Cost as a function of output. Total, average and marginal costs in short-term and long-term period. Maximization of profit as a function of the amount of resources. Maximization of profit as a function of output. Firm supply in short-term and long-term period. Supply of a competitive industry.

Market structures. Perfect competition equilibrium, consumers' and producers' surplus, Pareto efficiency. Market regulation of perfect competition: specific tax, subsidies, sales restriction, setting a price ceiling, setting a lower price limit. Profit maximization by a monopolist. The market power of a monopolist. Monopoly and social effectiveness. Regulation of monopoly: taxation, setting the price ceiling. Monopolistic behavior: price discrimination of the first, second and third degree. Monopolistic competition: the traditional model of product differentiation, linear model of spatial differentiation of the product. Strategic behavior and oligopoly. Cournot duopoly model, Steklberg model, Bertrand (price war) model, price leadership model, cartel collusion model.

Macroeconomic indicators. Measurement tools in macroeconomics. Aggregation. Flows and stocks. Real and nominal indicators. Gross domestic product (GDP) and total output. Methods for measuring GDP. Consumer price index and inflation.

Fluctuations in business. Potential and actual GDP. The concept of the business cycle. Phases of the business cycle. Causes of fluctuations in business activity. Work force. Labor market and unemployment. Types of unemployment: frictional, structural and cyclical unemployment. Full employment and natural rate of unemployment. Unemployment costs. Okun's law. The nature of inflation and its types. Causes of inflation. Demand-pull inflation and cost-push inflation. Inflationary expectations. Social and economic consequences of inflation. The relationship between inflation and unemployment. Phillips curve.

Aggregate demand and aggregate supply. The model of aggregate demand / aggregate supply AD / AS. Short-term and long-term equilibrium in the aggregate demand / aggregate supply model. Shocks of aggregate demand and shocks of the aggregate supply. Stabilization policy.

Fiscal policy. The state budget. Types of public revenues and expenditures. Proportional and lump-sum taxes. Public procurement of goods and services. State transfers. Public expenditure and taxes in the Keynesian cross model. Expenditure multiplier. Tax multiplier.

Budget deficit and its types. Balanced budget multiplier. Restraining and stimulating fiscal policy. Discretionary and non-discretionary fiscal policy. Built-in stabilizers.

Money supply. Monetary policy. The nature and functions of money. Types of money. Money supply and its aggregates. Banking system and its structure. The central bank and commercial banks. Money supply and monetary base. The process of creating money by the banking system. Money supply, bank and money multipliers. Control over money supply and monetary policy. Instruments of monetary policy. Restraining and stimulating monetary policy.

Economic growth. R. Solow's model of economic growth. Savings and investments. Accumulation of capital. The role of savings rate. Sustainable level of capital employment ratio and labor productivity. Population growth. Technological progress in the Solow model.

LIST OF RECOMMENDED LITERATURE

1. Varian Hal. Intermediate Economics: Modern Approach, 8th edition, 2010
2. Mankiw NG. Macroeconomics, 7th Edition. Worth Publishers; 2010.

MODULE 2. STATISTICS

Stages of statistical research. Variation series and their main characteristics. Attributive and variational series of distribution. Types of average values, the choice of average form. Structural averages: mode and median, their use in economics. Decile coefficients of differentiation and decile ratios. Gini and Herfindahl coefficient. Variation coefficient.

The relationship and dynamics of economic indicators. Algorithm of correlation-regression analysis. The equation of regression and determination of its parameters. Parametric and nonparametric tightness coefficients. Analysis of the relationship between qualitative variables. Types of series. The main analytical indicators calculated for the time series. The average characteristics of time series. Interpolation and extrapolation in time series. Features of correlation in time series.

Economic indices. The notion of indices. Individual and general indices. Laspeyres and Paasche indices, the Fisher index. Indices of variable, fixed composition and structural shifts. Methods of constructing a system of interrelated indices. Main price indices used in economic practice; methodology for constructing consumer price index.

LIST OF RECOMMENDED LITERATURE

1. McClave James T., P. Benson George, Sincich Terry T. Statistics for business and economics (12th edition)

MODULE 3. MANAGEMENT OF THE ORGANIZATION

Organization. Organization as a system. Interaction between Man and Organization. Motivation. Content theories of motivation. Process theories of motivation. The internal environment of the organization – nature, elements, and system characteristics. The external environment of the organization. Characteristics of elements of organization's macroenvironment. Characteristics of elements of organization's microenvironment. Organizational processes. Organizational culture. The life cycle of an organization – definitions, models, model characteristics. G.Morgan types of the organization. Organizational behavior.

Management of the organization. The purpose of management as a science and practice. Connection of management to political economy, sociology, political science and other socio-economic disciplines. The relationship between management science and practice. History of management thought – the subject and methods of research, scientific schools of management in the 20th – 21st centuries. Modern management concepts. Management and business. Management in static and in dynamics. Management of the organization as a system. Administration staff.

G.Mintzberg roles of manager. Organizational structures. Strategic management – the essence, attributes, process.

LIST OF RECOMMENDED LITERATURE

1. Daft Richard L. Management (10th Edition). Thomson Learning, 2003
2. Luthans F. Organizational Behavior (12th Edition). Business And Economics, 2010
3. Marshev Vadim I. History of Management Thought. Genesis and Development from Ancient Origins to the Present Day. Springer, 2021

SECOND PART (INTERVIEW AND MOTIVATION ESSAY)

The second part of the exam would be conducted in the form of individual interview with each applicant preceded by the motivation essay, which students need to upload prior to the interview. The questions of interview will be based on the motivation essay and on the areas of international business represented below. The main objective of the interview is to assess applicant's communicative skills, ability to conduct a discussion, ability to express own opinion and provide arguments based on knowledge of contemporary trends in international business.

1. TRENDS IN INTERNATIONAL ENVIRONMENT OF THE ORGANIZATION

The influence of globalization on the micro-and macro-environment of the organization. Evolution of the nature of international business activities over the past twenty years. Features of international business activities in countries with different levels of development: developed, developing and transition economies. The role of WTO in regulating international trade and investment.

2. INTERNATIONALIZATION OF BUSINESS ACTIVITY

Reasons for national companies to go international. International competitiveness and factors of formation of competitive advantages. Causes and consequences of international mobility of factors of production for donor and recipient countries. The index of transnationalization.

3. STRATEGY OF INTERNATIONAL BUSINESS

The Strategy of International Business: globalization, localization, glocalization. Entry Strategy and Strategic Alliances.

4. THE IMPACT OF CULTURE ON INTERNATIONAL BUSINESS ACTIVITY

Models of national cultures. Cross- cultural diversity and peculiarities of business communications in different countries.

LIST OF RECOMMENDED LITERATURE

1. Luthans F. Organizational behavior: an evidence-based approach. 12th Edition. – 2011. – 594p.
2. Charles W. L. H. International business: competing in the global marketplace. – 9th ed. – 2013.