

**MGTA01 - Introduction to Management I**  
**Professor Chris Bovaird**  
**Fall Semester 2015**  
**Practise Short Answer Questions (SAQs) for Mid Term**

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**You will be given a 7 page SAQ question book. The cover will look like this.**

**Family Name:** \_\_\_\_\_ **First Name:**

\_\_\_\_\_

**Student Number:** \_\_\_\_\_

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**The Instructions will read as follows:**

1. **NO AIDS** (i.e. calculators) will be allowed.
  
2. When answering the SAQs use **a pen! Remember to bring 2-3 pens to the test!!**
  
3. This practise test consists of **3** short answer questions worth 15 marks. The real test will contain 3 questions worth 17 marks.

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Question 1 \_\_\_\_\_ / 6

Question 2 \_\_\_\_\_ / 6

Question 3 \_\_\_\_\_ / 3

Total \_\_\_\_\_ / 15

**Short Answer Question 1** (2 parts x 3 marks each = **6 marks** in total)

One day, you are reading Scarbonia's daily newspaper "The Scarbonian", and you come across an article that reads as follows:

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**The Scarbonian – Tuesday, 15 November**

**Economic Change of Direction for Bargovistan**

(Isvektar) – Reports are coming out of central Asia this week that dramatic economic change may be happening in the secretive, mountainous republic of Bargovistan. Analysts based in the republic's capital, Isvektar, say that Bargovistan's President for Life and Supreme Commander, Vlako Harobatch made an important speech on the country's economic situation.

President Harobatch urged his people to increase wheat production by 33 million bushels or 20%, and to increase coal production by 170 million tons or 25% in the next year. President Harobatch has ordered that bicycle and locomotive production be halted, and that all factories in the country should produce tractors and coal mining equipment. He ordered 100,000 troops from the People's Freedom Army to begin working in the coal mines, and it is also understood that 400,000 school children were given a week's holiday after the government closed all the schools, so that school children could aid in the planting of wheat.

The reports indicate that President Harobatch addressed a crowd of 60,000 in the Happy Patriotic Citizens National Stadium. His 3 hour long speech was interrupted many times, by the crowd chanting, in unison, "We Are with You, Uncle Vlako!"

Harobatch told his people that they must work harder to grow wheat, after Bargovistan's wheat crop fell for the 3<sup>rd</sup> year in a row. All pharmaceutical and chemical companies were ordered to begin producing agricultural fertilizer.

Harobatch told his people that the previous years' wheat crops had been poisoned by the CIA, because the United States was jealous that Bargovistan's citizens were so happy.

This newspaper article fascinates you, and you think it would be really nice to see what a "secretive, mountainous" country is like. Nobody you know has ever been to Bargovistan, and it's on your list of personal ambitions to travel to every country on the planet.

So, you decide to learn as much as you can about this "secretive, mountainous" republic. You therefore do a Google search on the keywords "Bargovistan" and "newspapers". You learn that up until 2007 there were three newspapers in Bargovistan. The "Daily Truth" is owned by the family of President Vlako Harobatch. The "Opposite Opinion" was owned by the leader of the opposition, Harpo Zepkitch. However, in 2007, Mr. Zepkitch, his wife, and his 3 children were arrested for treason. Mr. Zepkitch was subsequently shot, and the "Opposite Opinion" closed

down. The third newspaper in Bargovistan, “The Independent”, was not associated with any political party. In 2009, the owner and publisher of “The Independent” announced that he thought that being a newspaper publisher was boring, and that it would be more fun to work in a coal mine. He closed down the newspaper and now lives in a small village where he works in a coal mine. Apparently, he works a lot of overtime.

2a. From the information given in the case study concerning your research about Bargovistan, what degree of competition exists in the newspaper industry in Bargovistan? Explain and justify your answer by providing a discussion of the characteristics of this degree of competition.

**3 marks**

2b. From the information given in the case study concerning your research about Bargovistan, what type of economic system would you say exists in Bargovistan? Explain and justify your answer by providing a discussion of the characteristics of this type of economic system.

**3 marks**

## Question 2

The textbook identifies two broad types of economic system that countries can choose to adopt. Identify these two types of economic system. **(2 marks)**

Discuss the intended advantages and potential disadvantages of the first of the two types of economic system that you identify. **(4 marks)**

**Question 3****(3 marks)**

During the lectures your Professor explained the reason why the famous board game “Monopoly” is named as it is. In your own words, explain the features and characteristics of a “monopoly”.