

## BUSINESS SCHOOL EXAMINATION 2016

Viewing: 20 points	Reading: 20 points	Vocabulary: 10 points	Writing: 20 points	Total: 70 points

### I VIEWING COMPREHENSION

[https://www.ted.com/talks/sajay\\_samuel\\_how\\_college\\_loans\\_exploit\\_students\\_for\\_profit](https://www.ted.com/talks/sajay_samuel_how_college_loans_exploit_students_for_profit)

**Watch the video (TIME CODE 00:01-25:04) – a talk by professor Sajay Samuel - and complete the following statements. You can use from 1 - 10 words IN EACH GAP:**

1. Today 40 million Americans are indebted for  
.....
2. It is nearly impossible for an American  
.....
3. For Paul’s father generation, higer education  
.....
4. The cost of higer educaiaon  
.....
5. Getting into debt ..... if  
you .....
6. More than a quarter of those who must  
.....
7. Higher education is .....
8. Education is an investment to ..... by  
training .....
9. Teachers are called “.....,” students are  
called “.....”
10. Your debt fattens .....

## II READING COMPREHENSION

**Read the text below. There are some parts and clauses missing in each paragraph. Put the missing parts and clauses into the proper places. Two of them are optional. (20 pts)**

There are two reasons companies fail:

they only do more of the same, or ...1 .

According to Knut Haanaes - a global leader of BCG's (Global Management Consulting's) strategy practice - the real solution to quality growth ...2 between two activities: exploration and exploitation. He thinks that both are necessary, but it can be too much of a good thing.

He gives an example of Facit, which he considers to have been a fantastic company. They were born deep in the Swedish forest, and they ...3 in the world, used by everybody. When the electronic calculator came along, they continued doing exactly the same. In six months, ...4 and they were gone.

The irony about the Facit story is hearing about the Facit engineers, who had bought cheap, ...5 that they used to double-check their calculators.

Facit did too much exploitation - however exploration can go wild, too.

A few years back, Haanaes worked closely alongside a European biotech company. He called them OncoSearch. The company was brilliant. They had applications that promised to diagnose, even cure, certain forms of blood cancer. Every day ...6. They were extremely innovative, and the mantra was, "When we only get it right," or even, "We want it perfect." The sad thing is, before they became perfect -- even good enough -- they became obsolete. OncoSearch did too much exploration.

Knut Haanaes heard about exploration and exploitation about 15 years ago, when he worked as a visiting scholar at Stanford University. The founder of the idea is Jim March. Haanaes thinks ...7 practicality.

Exploration. Exploration is about coming up with what's new. It's about search, it's about discovery, it's about new products, it's about new innovations. It's about changing the frontiers. The world's heroes are people who have done exploration: Madame Curie, Picasso, Neil Armstrong, Sir Edmund Hillary, etc. Knut comes from Norway; all their heroes are explorers, and they deserve to be. All know that exploration is risky, ...8, or if one is going to find them - therefore the risks are high. Exploitation is the opposite. Exploitation is ...9. Exploitation is about making the trains run on time. It is about making good products faster and cheaper.

Exploitation is not risky -- in the short term. But if people only exploit, it is very risky in the long term.

If one takes a long-term perspective, then s/he explores. If one takes a short-term perspective, s/he exploits. The same goes for companies. Companies become, by nature, less innovative as they become more competent.

Only about 10... and exploit at the same time, in parallel. But when they do, the payoffs are huge. There are lots of great examples: Nestlé creating Nespresso, Lego going into animated films, Toyota creating the hybrids, Unilever pushing into sustainability - and the benefits are huge.

- a. any company that's able to innovate
- b. taking the knowledge one has and making good, better
- c. that the power of the idea is its
- d. they went from maximum revenue
- e. is figuring out the balance
- f. they only do what's new
- g. was about creating something new
- h. two percent of companies are able to effectively explore
- i. made the best mechanical calculators
- j. looking at the valuation of the company
- k. small electronic calculators in Japan
- l. however nobody knows the answers

### III VOCABULARY

*Give an explanation of the following terms in 10-15 words:*

#### 1. SWOT ANALYSIS

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#### 2. ECONOMY

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#### 3. MANAGEMENT

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#### 4. CROWDSOURCING

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#### 5. MARKET

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#### **IV WRITING (20 pts)**

**BREXIT: Write an essay in 200 words. Include the following issues (TRUE/FALSE):**

- buying goods or services from other countries will become more expensive/cheaper
- one in six voters thinks Prime Minister Theresa May is handling Brexit negotiations well
- Parliament could vote against the adoption of any legislation linked to withdrawal
- mortgage approvals fall to lowest in 21 months
- unemployment will rise/to drop
- a fall in the value of the pound
- danger of a marketised education system
- situation of the immigrants
- Brexit negotiations could cost £65m and require 520 more staff

There are two reasons companies fail: they only do more of the same, or they only do what's new.

According to Knut Haanaes - a global leader of BCG's (Global Management Consulting's) strategy practice - the real solution to quality growth is figuring out the balance between two activities: exploration and exploitation. He thinks that both are necessary, but it can be too much of a good thing. He gives an example of Facit, which he considers to have been a fantastic company. They were born deep in the Swedish forest, and they made the best mechanical calculators in the world, used by everybody. When the electronic calculator came along, they continued doing exactly the same. In six months, they went from maximum revenue ... and they were gone. The irony about the Facit story is hearing about the Facit engineers, who had bought cheap, small electronic calculators in Japan that they used to double-check their calculators.

Facit did too much exploitation - however exploration can go wild, too. A few years back, Haanaes worked closely alongside a European biotech company. He called them OncoSearch. The company was brilliant. They had applications that promised to diagnose, even cure, certain forms of blood cancer. Every day was about creating something new. They were extremely innovative, and the mantra was, "When we only get it right," or even, "We want it perfect." The sad thing is, before they became perfect -- even good enough -- they became obsolete. OncoSearch did too much exploration. Knut Haanaes heard about exploration and exploitation about 15 years ago, when he worked as a visiting scholar at Stanford University. The founder of the idea is Jim March. Haanaes thinks that the power of the idea is its practicality.

Exploration. Exploration is about coming up with what's new. It's about search, it's about discovery, it's about new products, it's about new innovations. It's about changing the frontiers. The world's heroes are people who have done exploration: Madame Curie, Picasso, Neil Armstrong, Sir Edmund Hillary, etc. Knut comes from Norway; all their heroes are explorers, and they deserve to be. All know that exploration is risky, however nobody knows the answers, or if one is going to find them - therefore the risks are high.

Exploitation is the opposite. Exploitation is taking the knowledge one has and making good, better. Exploitation is about making the trains run on time. It is about making good products faster and cheaper. Exploitation is not risky -- in the short term. But if people only exploit, it is very risky in the long term.

If one takes a long-term perspective, then s/he explores. If one takes a short-term perspective, s/he exploits. The same goes for companies. Companies become, by nature, less innovative as they become more competent.

Only about two percent of companies are able to effectively explore and exploit at the same time, in parallel. But when they do, the payoffs are huge. There are lots of great examples: Nestlé creating Nespresso, Lego going into animated films, Toyota creating the hybrids, Unilever pushing into sustainability - and the benefits are huge.