MGM101 Test Sample Questions:

This is a guide and not a comprehensive list of all the possible answers or examples.

1. General Motors is considering closing an assembly plant in Oshawa Ontario and moving the production to one of their facilities in the United States. General Motors believes that lower wage rates and favourable tax incentives available in the United States will significantly lower their production costs. List four different groups of stakeholders who would have an interest in this decision and describe how each would likely evaluate this potential move by General Motors. (4 Marks)

One Mark for each stakeholder identified as well as a proper explanation of their perspective. Stakeholders may include Customers (concerned with domestic production and jobs, quality), Shareholders (priority will be increasing EPS), Suppliers (changes in demand, changes in transportation cost), Distributors (changing landing cost, time, quality), Employees (Impact on jobs), Local community (secondary business, employment levels), Governments (bailout fund loyalty, economic impact)

2. During our in-class exercise we discussed the value propositions provided by four different grocery store brands. List one of those brands, identify their target market, and