

Case Study: The Role of the State in the Development of the Economy

Name: _____ Date: _____

Suppose you are a member of the Board of Directors of a large corporation. You are currently reviewing the company's financial performance for the past year. The company's financial performance has been strong, but you are concerned about the company's long-term growth prospects. The Board of Directors is considering several options for the company's future growth. Which option do you think is the best? Why?

1. Expansion into new markets (domestic and international)

2. Investment in research and development (R&D) to create new products

- | A | B |
|----------------------------------|--|
| 1. Expansion | _____ Expansion into new markets (domestic and international) is a key strategy for growth. It allows the company to diversify its revenue streams and reduce its dependence on a single market. However, expansion into new markets can be costly and risky, especially if the company is not well-positioned in those markets. |
| 2. Investment in R&D | _____ Investment in research and development (R&D) is essential for long-term growth. It allows the company to create new products and services that are more competitive and profitable. However, R&D is a long-term investment that may not pay off for several years. |
| 3. Strategic Acquisitions | _____ Strategic acquisitions can be a fast way to grow a company. It allows the company to acquire new technologies, talent, and market share. However, acquisitions can be expensive and may not always result in the expected synergies. |
| 4. Divestiture | _____ Divestiture involves selling off non-core assets or businesses. This can free up capital that can be used to invest in other areas of the company. However, divestiture can also result in the loss of valuable talent and expertise. |

5. The long-term growth prospects of the company depend on the quality of its management, the quality of its products, and the quality of its market. The company's financial performance is a good indicator of its long-term growth prospects, but it is not the only indicator. The company's management team is responsible for the company's long-term success. The quality of the company's products and services is also a key factor. Finally, the quality of the market is also important. The company should focus on all of these areas to ensure long-term growth.

Using the information provided, answer the following questions: