

Business

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Business Name: Course: Lecturer: Institution: Date: Business Question One

Geographical structures can be defined as the structures of an international company based on the location of the company globally. In most cases, the international companies have a mother country where their headquarters are based. The other regions the company may be located are called regions. In these regions, they have been created due to the potential expansion of the company.

Product structures of international companies can be described as those structures where international companies set them based on the goods that are produced in those locations. This structure is similar to geographic structure because they have a mother country where the headquarters are based, and regions where they have companies. However, the main differences is that in geographical structures, the regional companies of an international company are opened based on potential growth while, production structure of an international companies regional companies are opened based on raw materials. Question Two Matrix organization is the combination of both the functional and product divisions. In this case, the managers of the product and the division have the same powers where the employees under them can report to any manger. The mangers then report to the CEO or the Deputy CEO.

In this case, the decisions made in the company are taking too long. On the other hand, the decisions made are not the best decisions. This means that the matrix structure of the company is long. Long matrix structures mean that the company will take long before making decisions. Additionally, the managers might be disagreeing during the decision-making process. This

results in the delivery of poor decisions. Therefore, the CEO of the company should try to shorten the company structure. In this case, the decision made will be fast.

Secondly, the CEO should provide training for the managers so that they can stop disagreeing. Instead, they should be encouraged to work as a team since all of them are equal. In this case, the decision that will be made will be fast and effective. Question Three Comparative advantage can be described as the ability of a party to produce goods or services based on the resources one party has. For example, America might be able to produce corn and clothing at the same time. For instance, they produce using machines with a rate of ten tons in an hour of corn flour and twenty yards of cloth in one hour. On the other hand, England might be able to produce only five kilograms of corn and thirty yards of cloth in an hour without the usual machines.

In this case, it shows that England has a comparative advantage in producing clothing while America they can produce corn. On the other hand, absolute advantage is described as the ability of a party to produce more than the other party yet they have the same resources. In the case of England and America, England produces ten tons of corn and five yards of cloth while America produces fifteen tons of corn and ten yards of cloth. This shows that America has the absolute advantage.

Question Four Mercantilism is a doctrine in economy mainly used by the European countries. This doctrine believes that there are no absolute or comparative advantages. This doctrine is thought to be poor in international

trade because it creates a situation of a beggar and master situation. Those countries that have the resources of producing products will tend to sell them at high prices based on the labor they have used. This will make the country that does not have the resources to beg for the goods that are provided so that they can be able to survive. According to trade, there must be unison when it comes to the production of some goods.

Therefore, that is why the doctrine of mercantilism is said to be a poor ideology.