

China's terms

Business



Module Question The rules and regulations chosen by the companies when they transform themselves in to multinational or global organizations change and many issues start to arise. China is undergoing the same problem in my opinion. The reasons of the investment overseas should be analyzed well at first according to me. This would highlight the purpose of the businesses. The objectives mainly include the earning of higher profits and revenues. In addition to that, expansion of the company and the aim of achieving a higher market share along with a good brand name or reputation can also be the reason for a company's compliance in to the foreign nation. After the objective is brought forward, rules and regulations can be easily set up and the foreign policies can be well dealt with (Tutor2u. net, 2014). .

It is usually stated that the companies might lose the market share if it decides that to let go of a new or international market. Although, the ethical and moral beliefs state differently. It is believed in their case that it is not appropriate to work alongside collective governments. In case the company decides to leave the market due to some reasons then the rival business will take the advantage and step up to get a hold of a higher market share. Entering the market later makes it harder for the companies to gain a higher market share or at times a moderate market share.

Therefore, both cases should be well thought upon when making the decision.

Question 2:

I believe that the company should not transfer their technologies and hence prefer the first option that can prove to be the best for companies. The market in China is increasing in volume and is has a growing market. The companies as a result aim at protecting and safeguarding their own sales

<https://assignbuster.com/chinas-terms/>

and thus, stay put to their production methods. The transfer of technology can be both time consuming and costly. China can, however, provide the company with good business but it is also true that the companies can prefer other countries to set up their production factories at, as they are only assumed to be the customers of China's product market.

References

Tutor2u. net. (2014). Globalisation - gains, risks & disadvantages. [online]
Retrieved from: <http://www.tutor2u.net/economics/revision-notes/a2-macro-globalisation-effects.html> [Accessed: 5 Feb 2014].