

TNCs: their nature, role and impact 3.2.1.3

Q1	<i>True or False?</i>	
A	A TNC involves transport but an MNC involves assembling many separate parts	
B	A TNC can be involved in agriculture, mining, the media or manufacturing	
C	A company may grow into a TNC through mergers & acquisitions, &/or via FDI	
D	TNCs all have vertical integration: doing everything in-house from start to finish	
E	Increasingly TNCs originate in BRIC countries and emerging economies	

Q2	Decide which term applies to each description	
A	When a larger firm takes over another corporation that, itself, owns a (usually) smaller company: the larger firm's relationship to the smallest	
B	When the manufacturing of basic components, the adding of value, or a key processing stage is devolved to a specialist company to provide	
C	When an organisation/corporation unwillingly loses its independence as a majority of its shares (or debts) are obtained by another company	
D	Making amendments or changes to a standard product in order to take advantage of local opportunities, preferences or market.	
E	The amalgamation of two or more independent organisations for mutual benefit into one, larger, operation	
		Hostile take-over Merger Globalisation Acquisition Out-sourcing

Q3	Identify the TNC sector that each organisation illustrates	
A	Lloyd's of London is one of the world's largest insurance (underwriting) organisations incorporating over 50 leading insurance companies	
B	The Kraft Heinz company formed from a merger of two organisations in 2015 helping stock supermarket shelves with mayonnaise and tins of soup	
C	Tesla, Inc. (Incorporated) is one of the companies run by Elon Musk that is developing electric cars and new battery technology for world-wide use	
D	Rio Tinto Group is a British-Australian TNC producing a range of valuable items from the earth, from diamonds to titanium, copper and uranium	
		Primary Secondary Tertiary Quaternary

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Q4 Research TNC organisations that operate in these areas:			
<i>TNC organisation</i>	<i>Product</i>	<i>HQ/base</i>	<i>Example locations</i>
<i>Beverage:</i>			
<i>Food commodity:</i>			
<i>Energy supplier:</i>			
<i>Broadcasting:</i>			
<i>Pharmaceuticals:</i>			

Q5 What are the 4 key criteria you would select to characterise TNCs that have a 'positive impact' in the countries they operate in? Justify each.	
1	
2	
3	
4	