

UNIVERSITE PARIS 1 PANTHEON – SORBONNE

UFR 06 / SGEL

LICENCE DE GESTION ET ECONOMIE D'ENTREPRISE, Semestre 4

Partiel d'anglais appliqué à la gestion

Date: 11 mai 2012

Durée: 2 heures

Enseignant responsable : JT Pindi , Maître de conférences

Sujet rédigé en collaboration avec Jennifer Wallace, Lectrice

No documents allowed. Write your answers on the official answer sheets provided.

PART I: Reading

A. Read the text below entitled *'The Case for Smaller Portions: Should Pepsi Break up?'* and address the ensuing comprehension questions and vocabulary exercises.

The Case for Smaller Portions: Should Pepsi Break up?

"I firmly believe that PepsiCo's value is maximised as one company," said Indra Nooyi, the boss of PepsiCo, during the announcement of the company's third-quarter results on October 12th. What followed was an impassioned plea for the "Power of One". That is how Pepsi describes its clout with suppliers, retailers and customers, thanks to its ability to market and distribute several of its brands together.

Fuelled by growth in emerging markets, Pepsi's results were better than expected. Net revenue increased by 9%, excluding the impact of the company's recent takeover of Wimm-Bill-Dann, a Russian food firm. Pepsi's operating profit was up by 4% compared with the same period last year.

Yet perhaps Ms Nooyi protests too much. She has been under fire from investors who say that, in her quest to transform Pepsi into a maker of healthier wares, she has taken her eyes off its core business of pushing tasty stuff that's bad for you. Its drinks business has lost market share and is dragging down the value of its snacks operation. The carpers suggest a solution: Pepsi should split into two smaller portions, a drinks firm and a snack peddler. That way, Frito-Lay (Doritos, Tostitos and Walkers) would no longer subsidise Pepsi, Gatorade (a sports drink) and Tropicana (a maker of fruit juice).

In her former role as Pepsi's chief strategist, Ms Nooyi set the company on a healthier course even before becoming its boss, by engineering the takeovers of Tropicana and Quaker Oats, which makes breakfast cereals. She is now making Pepsi's fizzy drinks less sugary and its snacks as much as 25% less salty and 15% less fatty. Her goal is to increase Pepsi's portfolio of "good for you" products (nuts, oats, fruit juice) from about \$10 billion, or one-fifth of revenue, to \$30 billion. Virtuous this may be, but it has not been good for the bottom line. Since Ms Nooyi took over in October 2006 Pepsi's shares have declined by 7%, while those of Coca-Cola, its great rival, have risen by 50%. This failure has perhaps been exacerbated by unhappiness within the company's

American drinks business, which has lost three marketing bosses in just over three years. In the same period it suffered several marketing flubs, including a botched Tropicana makeover and a confusing relaunch of Gatorade.

Would a split help? Pepsi would certainly be following a trend. In January Sara Lee, a hawker of cakes and sausages, said it would split into an American retail and food-service business and a meats business. In August, Kraft announced that it would split its international snack brands (Trident gum, Cadbury's chocolate) from its North American grocery business, including Maxwell House coffee, Jell-O and Oscar Mayer meats.

Ms Nooyi seems determined to keep it in one piece. But the opportunity costs are mounting. She has herself admitted that, as a stand-alone company, Frito-Lay, the star in her portfolio, might be the best consumer-goods maker in America. So far activist investors such as Nelson Peltz and William Ackman, who have successfully pushed for the split of several consumer-goods companies, have left Pepsi alone. But they may not do so for much longer. It may be time to crack open Pepsi.

(Adapted from: The Economist. Oct. 15th 2011)

B. Comprehension (5 points)

Answer the following questions briefly.

1. How do Pepsi's financial results compare with the previous year? Give details.
2. How should Pepsi break up, according to some people?
3. What is Indra Nooyi's stand on the debate?
4. What steps is the company taking to make its drinks and snacks healthier?
5. What are the two marketing mistakes mentioned in relation to other drinks that are part of the Pepsi empire?

C. Vocabulary (5 points)

I. **Find** a term in the text that relates to the following definitions. Give the paragraph and line references of the term you have identified. **(1.25 points)**

1. The main activity of a company:
2. Less developed countries which are flourishing:
3. People who put their money to use in a company with the goal of obtaining a profit:
4. A person or company competing on the same market:
5. The grouping of all investments within a company:

II. **Find** the synonyms of the following words in the text. Give the paragraph and line references. **(1.25 points)**

1. reducing:

2. vendors:
3. made worse:
4. tendency:
5. escalating:

III. Briefly **define** the following concepts used in the text. Illustrate the concepts either

a) by giving a real life example or b) by using the concept in a sentence of your own. **(2.5 points)**

1. retailers:
2. customers:
3. brands:
4. takeover:
5. market share:

PART II: Grammar (5 points)

A. Rewrite the following sentences without using the modal (2.5 points)

1. Companies must use social networking to their advantage if they are to keep in touch with consumers.
2. We might see this enterprise filing for bankruptcy by the end of the year.
3. You should look at their website, it's full of great offers at the moment.
4. It may be that the big boss won't take home a bonus this year due to profit losses.
5. Can the government deal with this crisis?

B. Read the following situations. Complete the sentences expressing your opinion using a variety of modals. (2.5 points)

*Example: The latest figures show that this company is in major trouble; the enterprise **must** do more to increase its profits.*

1. Air pollution is a big problem in many cities; governments_____
2. Gas and oil costs have to continued to rise because the planet is running out of fossil fuels; people_____
3. Businesses with out of date technology are being squeezed out of the market. These businesses_____
4. The marketing mix combines a delicate balance of four elements. Companies_____

5. Account management is a tricky business. Accountants_____

PART III: Writing (5 points)

Should Pepsi Cola break up or should it continue to operate as a single entity?

Give your opinion in the light of your understanding of the text. Discuss the advantages and disadvantages of one situation over the other. Argue your point in a minimum of 250 words or a maximum of 400. Please show your word count at the end of the essay. You will be marked on your ability to produce a fairly balanced discussion in good English.

Key to answers and guidelines for marking

Comprehension (5 points)

Answers

1 How do Pepsi's financial results compare with the previous year? Give details.

Pepsi's net revenue increased by 9% and its operating profit was up by 4% compared with the same period the previous year.

2 How should Pepsi break up, according to some people?

According to the carpers, Pepsi should split into two smaller portions: a drinks firm and a snack peddler.

3 What is Indra Nooyi's stand on the debate?

Indra Nooyi doesn't want the company to split into smaller units. She thinks that Pepsi Cola is stronger in staying as one big entity.

4 What steps is the company taking to make its drinks and snacks healthier?

It is now making Pepsi's fizzy drinks less sugary and its snacks as much as 25% less salty and 15% less fatty. It is also trying to increase its portfolio of 'good-for-you' foods.

5 What are the two marketing mistakes mentioned in relation to other drinks that are part of the Pepsi empire?

In the same period the company suffered several marketing flubs, including a botched Tropicana makeover and a confusing relaunch of Gatorade.

Marking

A full point for a concise but accurate answer. Half a point or quarter of a mark for a less satisfactory answer. Nothing to be awarded for a blank or a wrong answer.

Vocabulary (5 points)

Answers

I. Find a term in the text that relates to the following definitions. Give the paragraph and line references of the term you have identified. **(1.25 points)**

1. core business (paragraph 3, line 3)
2. emerging markets (paragraph 2, line 1)

3. investors (paragraph 3, line 1)
4. rival (paragraph 4, line 7)
5. portfolio (last paragraph, line 2)

II. **Find** the synonyms of the following words in the text. Give the paragraph and line references.

(1.25 points)

1. dragging down (paragraph 3, line 4)
2. suppliers (paragraph 1, line 4)
3. exacerbated (paragraph 4, line 8)
4. trend (paragraph 5, line 1)
5. mounting (paragraph 6, line 1)

Marking

Quarter of a mark for each correct answer. Nothing to be awarded otherwise.

III. Briefly **define** the following concepts used in the text. Illustrate the concepts either a) by giving a real life example or b) by using the concept in a sentence of your own. **(2.5 points)**

1. retailers: *people or companies involved in selling products in small units directly to final consumers. Shops or supermarkets for example are retailers.*

2. customers: *people or companies buying goods and/or services in order to satisfy their needs. Most consumers for example are customers.*

3. brands: *trade names used to identify goods and services in order to distinguish them from competing ones. Nike for example is a brand of sportswear.*

4. takeover: *situation in which one firm buys a controlling interest in another through the purchase of its shares. Example sentence: A company can expand its business through takeovers.*

5. market share: *a percentage of total sales volume in a market captured by a brand, product, or company. Example sentence: large companies usually have large market shares.*

Marking

Quarter of a mark for a good definition. Another quarter of a mark for a good illustration.

PART II: Grammar

Suggested answers

A. Rewrite the following sentences without using the modal (2.5 points)

1. Companies must use social networking to their advantage if they are to keep in touch with consumers. *(It is necessary, essential that...)*

2. We might see this enterprise filing for bankruptcy by the end of the year. (*It is possible/probable/likely that*)

3. You should look at their website, it's full of great offers at the moment. (*I recommend, suggest, advise*)

4. It may be that the big boss won't take home a bonus this year due to profit losses (*It is possible/probable/likely*)

5. Can the government deal with this crisis? (*Is the government able to....*)

B. Read the following situations. Complete the sentences expressing your opinion using a variety of modals. (2.5 points)

1. Air pollution is a big problem in many cities, governments_____

e.g. governments should do more to encourage public transport...

2. Gas and oil costs have to continued to rise because the planet is running out of fossil fuels, people_____

e.g. people need to reduce their use of fossil fuels....

3. Businesses with out of date technology are being squeezed out of the market. These businesses_____

e.g. businesses must get up to date with the latest technology....

4. The marketing mix combines a delicate balance of four elements, companies_____

e.g. companies have to understand the right combination...

5. Account management is a tricky business. Accountants_____

e.g. Accountants need to be quick to spot errors.....

Marking

Half a mark for a good answer. Nothing to be awarded otherwise.

PART III: Writing (5 points) (4 points for text and 1 bonus point for correct length and word count)

Marking

- First, please award **1 point** as a bonus for requisite length. Nothing to be awarded, nor any penalty point to be deducted for inadequate or excess length.

- Then, please read, correct and comment the whole essay and score as follows:

0.5 point = Very little substance. Poor discussion of the topic and poor English.

1 point = Attempt to discuss the topic. Frequent spelling, vocabulary and grammar mistakes. No fluency of expression.

2 points = Good attempt to discuss the topic. Some regular spelling, vocabulary or grammar mistakes. Problems with the writing style.

3 points = Good explanation and fairly balanced discussion of the topic coupled with real life examples. Very few spelling, vocabulary or grammar mistakes and a good writing style.

4 points = Well-balanced discussion of the topic. High level English including fluency of expression and a very good writing style. Perfect spelling and good lexical and grammatical choices. No mistakes at all.

- Finally, please add the score to the bonus point, if any, and award the overall mark of the section.