

2013-2014 FALL SEMESTER

MOCK EXAM: RESPONSE
PARAGRAPH

December, 2014



Name & Surname: _____

Student Number: _____

Class: _____

Duration: 40 minutes

RESEARCH AND DEVELOPMENT

All businesses want to grow bigger, and people do business to make money. In order to grow and make profit at the same time, businesses need new ideas that can be turned into money-making products. R&D activities are usually expensive. If you are not a big multinational company, it is almost impossible to pay for R&D.

R&D departments of small businesses have great difficulty getting quick results. They usually start the projects with limited amount of money and/or time. While losing \$1 million on an R&D project will not break big companies like Google and Toyota, small businesses cannot afford not to have results if they have spent that much money. When the financial resources for R&D finish, small companies face a big decision: if they continue spending money on the project, they can lose more money because success is not guaranteed. If they end the project, they will have to accept the loss of money that has already occurred.

Therefore, businesses have to make a decision: Should they build their own R&D departments, or try to find cheaper but effective alternatives? One such alternative can be joint R&D projects with other companies. This is usually not preferred because it may be difficult for them to share their profits and/or losses. Another alternative is collaboration with universities. Companies can go to universities with specific problems. Because universities are already a place of knowledge, companies do not have to employ expensive experts and researchers. Universities have professors and research assistants who would like to work on that problem because they find it scientifically interesting. As a result, the cost of R&D becomes much lower for the company. Another possible solution for a small company is to use independent laboratories to conduct or perform tests on materials and processes. Some of the equipment necessary to do such tests can be seriously expensive and impossible for small companies to buy. So, for a small fee, a company can hire or pay a specialized laboratory to conduct research and provide results without having to invest huge sums of money in R&D personnel and machinery.

Read the text and write a response paragraph answering the question below.

QUESTION: What is the best way for a small company to do its R&D activities? Explain.

REMEMBER! While writing your paragraph, you should **summarize the main points from the reading text, provide relevant background information, and make a clear connection between the text and your personal answer.**