

Directions: In this section, there is a passage with ten blanks. You are required to select one word for each blank from a list of choices given in a word bank following the passage. Read the passage through carefully before making your choices. Each choice in the bank is identified by a letter. Please mark the corresponding letter for each item on **Answer Sheet 2** with a single line through the centre. You may not use any of the words in the bank more than once.

The task of the global strategist of a business is to build a platform of capabilities derived from the resources, experiences and innovations of units operating in multiple locations, to transplant those capabilities wherever 26 , and then to systematically upgrade and renew them—ahead of the competition.

Apple is an outstanding case of a company whose unique capabilities give it a worldwide 27 advantage, particularly with respect to its ability to build platforms from a product base that integrates functional and 28 design. Apple has been able to leverage and exploit its California-based design and marketing advantages successfully throughout the world. IKEA is another such case. The do-it-yourself furniture and houseware company first developed a compelling set of capabilities to design, manufacture and 29 furniture at low cost and sell it in a novel way in Sweden. Later, IKEA successfully 30 this formula in many other countries.

By contrast, Telefonica, a Spanish telecommunications company that is now the world's fifth largest telecom by 31 , first developed its special advantage abroad. In 1989 and 1990, Telefonica had the opportunity to enter Chile and Argentina, countries that shared many institutional and cultural characteristics with its home country but that were 32 more rapid market reform. Throughout the 1990s, Telefonica took what it learned in Chile and Argentina about reconstructing former state-owned telecoms to other Latin American countries that were privatizing their state telecoms and deregulating their telecom markets.

These examples might lead the reader to believe that creating a global advantage is an easy task. But many other 33 of expensive failed experiments suggest that creating a lasting global advantage actually requires a great deal of 34 and operational finesse(技巧). Our research suggests that global winners typically create and sustain their international presence through a systematic process of 35 , renewing and enhancing their core capabilities.

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| A) aesthetic | I) reproduced |
| B) appropriate | J) revenues |
| C) clusters | K) safeguarding |
| D) competitive | L) ship |
| E) exploiting | M) strategic |
| F) fiscal | N) transcend |
| G) instances | O) undergoing |
| H) rehabilitated | |