Please answer 2 out of 3 questions. Both questions must be marked better than F in order to pass the examination. Each is weighed 50% of the total mark.

**Question 1**

Path Dependency is considered an evolutionary process that can lead to both positive and negative development outcomes. What does it mean for industrial regions to have a path dependent trajectory? Provide examples.

**Question 2**

Define and explain the different modes of innovation. Discuss the role of geographical proximity between multiple actors in regards to the different modes of innovation.

**Question 3**

Discuss the relationship between states and transnational corporations (TNCs) in regards to Foreign Direct Investments (FDI). Explain how relations between TNCs and host countries can change over time.