

1. In a totalitarian political system, businesses are owned by private citizens.	a. True	b. False			
2. A drawing that shows the structure of an organization is known as a flow chart.	a. True	b. False			
3. A domestic company that begins to export or sell abroad is known as an international corporation.	a. True	b. False			
4. If common law is the political system of a particular nation, current court cases are decided on statutes (rules) passed by the legislative bodies in that nation.	a. True	b. False			
5. Intellectual property rights give citizens in democratic countries the exclusive right to patented inventions, trademarks, and copyrights.	a. True	b. False			
6. A trademark is the exclusive right of an inventor to make, sell, and use a product or process.	a. True	b. False			
7. When a contract contains ambiguous terms, U.S. courts will uphold handwritten terms over typewritten or printed terms.	a. True	b. False			
8. Stereotyping is having an emotional attitude that one's own race, nation, or culture is superior to all others.	a. True	b. False			
9. If the date in a letter from Germany is 3/10/98, the letter was written on March 10, 1998.	a. True	b. False			
10. Australia is the smallest of the six inhabited continents in the world.	a. True	b. False			
11. Business cards are used throughout the world.	a. True	b. False			
12. The infrastructure of a country refers to the resources used in producing goods and services.	a. True	b. False			
13. About 95 percent of the world's population lives outside the United States.	a. True	b. False			
14. In the middle Eastern countries, you do not offer your business card until your host offers his.	a. True	b. False			
15. When a country has special natural resources to produce a product at a lower cost than any other nation in the world, that nation has what is known as a comparative advantage.	a. True	b. False			
16. An embassy is an office located in a foreign country that represents the home country and services the interests and businesses of the citizens of the country it represents.	a. True	b. False			
17. Ethical guidelines legislated in the United States do not have to be followed by U.S. employees working in other countries.	a. True	b. False			
18. If a U.S. buyer makes a purchase using a foreign buying office to place the order, the purchase is automatically under U.S. laws.	a. True	b. False			

19. An ethnocentric approach to resource management in a global environment means that the parent company uses people from its own country to staff key positions abroad.	a. True	b. False			
20. Both Japanese and American businesses and organizations have been known for their lifetime employment of employees.	a. True	b. False			
21. The World Trade Organization was created to police the General Agreement on Tariffs and Trade.	a. True	b. False			
22. Lira is the currency for both Turkey and Italy.	a. True	b. False			
23. The United States, Australia, Hong Kong, New Zealand, and Canada all have the dollar as their currency.	a. True	b. False			
24. The majority of sales in the United States come from	a. corporations	b. sole proprietorships	c. partnerships	d. sole proprietorships & partnerships	e. cooperatives
25. A multinational corporation may get involved in international business through all of the following EXCEPT	a. management contracting	b. franchising	c. foreign direct investment	d. free trade agreement	e. licensing
26. A business owned by its members and operated for their benefit is a	a. partnership	b. corporation	c. sole proprietorship	d. cooperative	e. joint venture
27. The competitive situation in which a market exists involving many sellers who each have a slightly different product is known as what type of market structure?	a. Pure competition	b. Monopolistic competition	c. Oligopoly	d. Monopoly	e. none of the above
28. Which type of business requires a state charter to begin operation in the United States?	a. Sole proprietorship	b. General partnership	c. Corporation	d. Joint Venture	e. none of the above
29. CADCAM, Inc., is incorporated in the state of Kentucky and does business in Ohio. In Ohio CADCAM is properly referred to as	a. an alien corporation	b. a close corporation	c. a foreign corporation	d. a national corporation	e. a public corporation
30. Which of the following is NOT one of the five major areas of business management?	a. Production	b. Finance	c. Information Systems	d. Marketing	e. Technology
31. Which of the following characteristics best describes a participative manager?	a. Likes to control others	b. Shares power with others	c. Distributes rewards only to those who do what they are told to do	d. Avoids any use of power	e. Gives employees free reign
32. The process of managing does NOT include	a. auditing	b. planning	c. organizing	d. staffing	e. controlling
33. All of the following are risks in doing business domestically and internationally EXCEPT	a. Business	b. Economic	c. Natural	d. Human	e. all of the above
34. A ____ is a legal agreement between two or more companies to conduct business together.	a. license agreement	b. franchise	c. partnership	d. joint venture	e. management contract
35. A copyright protects the original works of authors, composers, playwrights, artists, and publishers for how many years?	a. 15	b. 25	c. 30	d. 50	e. Lifetime plus 50 years
36. A contract is valid when it has all of the following components EXCEPT	a. mutual agreement	b. written confirmation	c. consideration—something of value is exchanged	d. capacity—all parties are competent	e. legal purpose

37. If an employee of a United States corporation promises to refrain from doing something that the employee has a legal right to do, such a promise is called	a. forbearance	b. a legal detriment	c. rescission	d. capacity	e. past consideration
38. Klaus, who does not understand English well, signed a contract that stated that he would pay \$900 for a microwave (the identical model sells for \$500 in any other store). This is an example of	a. usury	b. fraud	c. duress	d. unconscionable contract	e. undue influence
39. A government document proving the bearer's citizenship in the country issuing it is a	a. Visa	b. Work permit	c. Work Visa	d. Passport	e. Green card
40. The U.S. law that prohibits false and misleading advertising on products marketed by any company operating domestically or internationally is the	a. Consumer Product Safety Act	b. Federal Trade Commission Act	c. Fair Labor Standards Act	d. National Environment Policy Act	e. Occupational Safety & Health Administration Act
41. In the United States, the ingredients on a product label should be listed according to	a. alphabetic order	b. scientific names	c. weight	d. quality	e. quantity
42. Bribery of foreign officials is prohibited by the	a. Taft-Hartley Act	b. Federal Trade Commission Act	c. Labor-Management Reporting & Disclosure Act	d. Landrum-Griffin Act	e. Foreign Corrupt Practices Act
43. Bank funds can be transferred electronically by all of the following EXCEPT	a. automated teller machines	b. systems for direct deposit/withdrawal	c. Federal Reserve Wire Transfer Network	d. telegram	e. New York Clearing House Interbank Payment System
44. All of the following are antitrust laws EXCEPT	a. Sherman Act	b. Interstate Full Disclosure Act	c. Clayton Act	d. Federal Trade Commission Acts	e. Robinson-Patman Act
45. The process by which a government takes private property for public use is called	a. adverse possession	b. eminent domain	c. prescription	d. reversion	e. take over
46. When Chinese executives meet Western executives, they	a. embrace	b. bow	c. shake hands firmly	d. use a palms-together salute	e. kiss on both cheeks
47. The international language of business is	a. Spanish	b. English	c. German	d. French	e. Japanese
48. The signature on a letter from a Chinese business woman is Wu Chi; therefore, when you write to her, you would address her as	a. Ms. Chi	b. Ms. Wu	c. Mrs. Chi	d. Miss Chi	e. Madam Wu
49. In which of the following countries is it expected that you will get right down to business and follow an agenda closely?	a. Japan	b. Latin America	c. China	d. Russia	e. Middle East
50. People from which of the following countries use only the right hand for activities in public—activities like eating food, passing food, and shaking hands?	a. Japan	b. China	c. Saudi Arabia	d. South Africa	e. Scotland
51. All of the following are United States Postal Service classifications of international mail EXCEPT	a. APO	b. LC Mail	c. AO Mail	d. CPMail	e. UPU
52. Since time differs by culture, which of the following statements is true?	a. Germans are very casual about time.	b. Latin Americans are precise about time.	c. Americans in the United States are very time oriented.	d. Mexicans, like Americans in the United States, are very time oriented.	e. In Africa, business people are very time conscious.

53. If you receive a gift from a business executive in Asia, you should follow all of these customs EXCEPT	a. Let the executive organize a special time and place to give the gift.	b. Refer to the gift you have received at a later time.	c. Open the gift when it is presented by the giver.	d. Express, in an understated manner, your appreciation.	e. Wait to open the gift until you are in a private, quiet place.
54. In which of the following countries would you NOT send white chrysanthemums as a gift?	a. United States	b. Belgium	c. Brazil	d. Canada	e. Mexico
55. Which of the following statements about Japanese culture is true?	a. The formal nonverbal greeting is a handshake.	b. The Japanese like direct eye contact just like people in the United States.	c. Most conversation contains periods of silence.	d. Individual achievement is valued.	e. Direct confrontation is frequently used in business interactions.
56. After receiving a Japanese business card, you should take time to	a. put it in your wallet or shirt pocket.	b. examine it carefully.	c. practice pronouncing the person's name until you get it right.	d. find out the person's seniority and status in the company.	e. make notes on the card so you can remember the person.
57. An Saudi Arabian business man offers you a cup of Arabian coffee in his office—you do not drink coffee. What should you say?	a. "No, thank you."	b. "Thank you, but I don't drink coffee."	c. "Thank you."—accept the coffee, and place it on a table near you.	d. "No, thank you; coffee makes me nervous."	e. "Thank you."—accept the coffee, take a small sip, and set it aside.
58. If you were told to call an office at fifteen hundred hours, what time would that be?	a. 9 A.M.	b. 10 A.M.	c. 3 P.M.	d. 5 P.M.	e. 7 P.M.
59. The largest continent in today's global business world is	a. Africa	b. Asia	c. North America	d. South America	e. Europe
60. The one place in the world from which all time zones are measured is in	a. England	b. the United States	c. Italy	d. Africa	e. Germany
61. Which of the following information technologies would be the most cost-effective way to communicate with your company's office in Germany?	a. FAX	b. E-mail	c. Telex	d. Telephone	e. First-Class Mail
62. When a country uses its government or central planning committee to regulate the amount, distribution, and price of everything that is produced, it is an example of a	a. market economy	b. mixed economy	c. command economy	d. capitalistic economy	e. socialistic economy
63. Employees living and working in a country other than their home country are known as	a. local nationals	b. third-country nationals	c. patriots	d. expatriates	e. foreigner locals
64. The market value of all the goods and services produced by a given country during a given year is known as	a. Gross Domestic Product (GDP)	b. Gross National Product (GNP)	c. Per Capita Gross National Product (PCGNP)	d. Gross Consumer Products (GCP)	e. Gross Consumer National Product (GCNP)
65. The computer language that is now compatible with both European and United States electronic data transmission forms is	a. Trade Data Interchange	b. Electronic Data Interchange	c. Electronic Data Interchange for Administration, Commerce, and Transportation	d. Harmonized System for Data Interchange	e. International Data Interchange
66. If you were told that a particular product was 13.12 feet, how many meters would that be?	a. 3	b. 4	c. 5	d. 6	e. 7

67. Which of the following countries would be the best example of a command economy?	a. United States	b. Russia	c. Cuba	d. Germany	e. South Africa
68. Which of the following countries would be the best example of a capitalist economy?	a. United States	b. Germany	c. China	d. Saudi Arabia	e. Mexico
69. Which of the following is the best global insurance protection for business investments in less developed countries?	a. Ocean marine insurance	b. Property insurance	c. Credit risk insurance	d. Overseas private investment corporation insurance	e. Inland marine insurance
70. Which of the following would be considered a disadvantage of international trade?	a. Lower prices	b. Greater variety of goods	c. Improved standard of living	d. Relocation of domestic business to foreign countries	e. Improved quality of products
71. Negotiated in 1947, the trade agreement that guides the conduct of international trade is	a. The International Trade Facilitation Agreement (ITFA)	b. Free Trade Agreement (FTA)	c. Organization for Economic Cooperation & Development (OECD)	d. International Economic Policy (IEP)	e. General Agreement on Tariffs and Trade (GATT)
72. Which of the following is not a recognized agreement among countries to encourage and support trade among member countries?	a. The Caribbean Economic Community	b. North American Free Trade Association	c. U.S.-Israel Free Trade Agreement	d. Central American Common Market	e. Soviet Council for Mutual Economic Assistance
73. A technique whereby the marketing researcher collects data from a select group of consumers who are thought to be representative of the total population is known as	a. market segmentation	b. sampling	c. test market	d. target market	e. market research
74. The organization formed in 1987 to equalize product production standards across 12 European countries is known as	a. Organization for Economic Cooperation & Development	b. Foreign Sales Administration European Community	c. International Organization for Standardization	d. Organization for European Standards	e. Organization for Standardization of European Production
75. Keiretsu is an example of	a. an export management company	b. an export trading company	c. a freight forwarder	d. a custom house broker	e. a wholesaler
76. A ____ is a contract between the owner and the carrier of goods being exported.	a. export declaration	b. bill of lading	c. Certificate of Origin	d. commercial invoice	e. shipper's export declaration
77. The four major elements of the marketing mix include all of the following EXCEPT	a. product	b. quality control	c. price	d. distribution	e. promotion
78. Which of the following is an example of primary data sources of marketing research data?	a. Government reports	b. Reference books	c. Business documents	d. Interviews	e. Computerized databases
79. Which of the following is NOT a characteristic of JIT?	a. Was perfected by Toyota	b. Frequently called Kanban manufacturing	c. Relies on raw materials stocked at every work station in anticipation of need	d. Emphasizes efficient production of all units or parts	e. Includes less inventory handling
80. Which of the following is NOT a function performed by a wholesaler?	a. Sales staff assistance	b. Order processing	c. Storage and transportation	d. Finance	e. Promotional Assistance

81. Which of the following is NOT a function (utility) of marketing?	a. Place	b. Time	c. Possession	d. Quality	e. Information
82. Which of the following types of market segmentation research would be particularly valuable as a company anticipates adapting a product for export?	a. Geographic	b. Demographic	c. Psychographic	d. Physiographic	e. Holographic
83. Which of the following is a strategy to stimulate exports?	a. Quotas	b. Product Standards	c. Import Licensing	d. Dumping	e. Service Agreements
84. A tax levied on the sale or consumption of products like alcoholic beverages, tobacco, and gasoline is known as	a. a value-added tax	b. a sales tax	c. a customs tax	d. an excise tax	e. a tariff
85. If the duty on cotton scarves is \$.05 each plus 25 ad valorem duty, what would the entire compound duty for an import of 100 silk scarves having an FOB Port value of \$3 each?	a. \$78.75	b. \$90.00	c. \$30.00	d. \$80.00	e. \$40.00
86. A total ban on specific products coming into and leaving a country is known as a(n)	a. Tariff	b. Quota	c. Embargo	d. Trade deficit	e. Manifest
87. All consumer products exported to the United States must comply with the following government regulation:	a. Energy Policy & Conservation Act	b. Toxic Substance Control Act of 1977	c. Safety Act	d. Flammable Fabrics Act	e. both c and d
88. Around the world, anything that is used for money must have all of the following qualities EXCEPT	a. acceptability	b. scarcity	c. divisibility	d. durability	e. stability
89. All of the following are payment methods that might be used in international business EXCEPT	a. bank note	b. promissory note	c. cash in advance	d. letter of credit	e. electronic funds transfer
90. A ____ is a written guarantee by a bank that a certain amount will be paid to a designated recipient when certain conditions are met.	a. Bank Draft	b. Time Draft	c. Sight Draft	d. Letter of Credit	e. Commercial Letter
91. If an international corporation is using a corporate bond to raise debt capital, what is its rate of return if the cost of the investment is \$1,000 and the annual income was \$82?	a. 8.2 percent	b. 12 percent	c. 1.2 percent	d. 8.3 percent	e. 12.1 percent
92. If you check the NYSE and see in the DIVD column the figure .80, that means the stock paid a dividend of	a. 80 cents for the week	b. 80 cents per share during the past 12 months	c. 80 cents per share for the month	d. 80 cents per share for the week	e. 80 cents per share for the day
93. You want to invest \$8,000 in some business property in Britain; the value is expected to increase at the rate of 6 percent each year. If you bought the property and kept it for two years, what would be the future value of this investment?	a. \$8,960.00	b. \$9,920.00	c. \$9,600.00	d. \$8,988.80	e. \$8,960.80
94. The human resources management approach, which uses natives of the host country of a business to manage operations within that country and natives of the parent country to manage at headquarters, is the	a. polycentric approach	b. ethnocentric approach	c. regiocentric approach	d. geocentric approach	e. eccentric approach
95. Employee motivation is culturally based; therefore, motivational factors for United States employees might include all of the following EXCEPT	a. money	b. personal recognition	c. opportunity to reach full potential	d. personal rewards	e. emphasis on group harmony

96. If you were preparing a training program for a group of Japanese, the Japanese might expect all of the following EXCEPT	a. informal after-hour discussion of the training	b. emphasis on self-reliance	c. group harmony	d. visual and written materials	e. group achievement
97. After completing your training program for a Japanese team, you want to hear their views. You should	a. ask a question of the senior person first	b. ask for volunteers to answer your questions	c. ask a question of the junior person first	d. ask questions by going around the room by seating arrangement—right to left	e. ask the questions and just let anyone respond
98. The currency for China is the	a. Yen	b. Lira	c. Mark	d. Rand	e. Yuan
99. An American employee working in India earns \$650 a week; if the Rupee is valued at 31.30 per U.S. dollar, the employee is paid	a. 24,797.50 Rupee	b. 20,766.68 Rupee	c. 20,345.00 Rupee	d. 21,345.00 Rupee	e. 20,766.00 Rupee
100. The currency for South Africa is	a. Dirham	b. Rand	c. Shilling	d. Real	e. Dollar