

True or False. Mark “A” if the answer is True or “B” if the answer is False.				
1. Culture refers to the set of values, beliefs, rules, and institutions held by a specific group of people	a. True	b. False		
2. The Mexicans living in the U.S. can be described as a subculture.	a. True	b. False		
3. Although nation-state plays a role in development of national culture, political boundaries do not always correspond to cultural boundaries.	a. True	b. False		
4. Standards for registration and certification of a manufacturer’s quality management and quality assurance system are ISO 1000 standards.	a. True	b. False		
5. Licensing is offering the right to a trademark, patent, trade secret, or similarly valued item of intellectual property in return for a royalty or fee.	a. True	b. False		
6. The first phase of the strategic management process starts with the company determining what its mission is and what are the overall objectives.	a. True	b. False		
7. Countries moving from an agricultural to an industrial economy are referred to as developing countries.	a. True	b. False		
8. Poland is a member of the European Union.	a. True	b. False		
9. The practice of shielding one or more sectors of a country’s economy from foreign competition through the use of tariffs or quotas is called protectionism.	a. True	b. False		
10. In international marketing, a government tax on goods or services entering a country is called a foreign excise tax.	a. True	b. False		
11. Governments not only promote trade by encouraging exports, but also can encourage imports that the nation does not, or cannot, produce.	a. True	b. False		
12. Beginning in January 2002 the EU will have a common currency, the EURO.	a. True	b. False		
13. Seventy-five percent of expatriate women working abroad reside in Mexico and Canada.	a. True	b. False		
14. While bribery is a serious crime in some countries, it is an expected way of doing business in others.	a. True	b. False		
15. Under common law, the justice system decides cases by interpreting the law on the basis of tradition, precedent, and usage.	a. True	b. False		
16. Hindu law is the most widely practiced theocratic legal system today.	a. True	b. False		
17. Ninety-five percent of the world’s population lives outside the United States.	a. True	b. False		
18. The monetary value of all goods and services produced in a country during one year is called annual production value.	a. True	b. False		
19. The largest export market for Asian countries is the United States.	a. True	b. False		

20. The European Union is a group of 15 nations who have eliminated most of the barriers to the free flow of goods, services, capital, and labor across their borders.	a. True	b. False		
Mark the correct answer on your scantron sheet for each of the following questions.				
21. When museums and monuments are built in order to preserve legacies of important events or people, it promotes which of the following?	a. Cultural diffusion	b. Caste system	c. National culture	d. Social mobility
22. The United Kingdom and United States value _____, whereas Japan and South Korea value _____.	a. caste system; class system	b. aesthetics; ethnocentricity	c. individual freedom; group consensus	d. quality of life; quantity of life
23. People from which of these cultures are casual about time and maintain flexible schedules?	a. Japan	b. The United States	c. Northern Europe	d. Latin America
24. Bowing to show respect in Japan is an example of which of these cultural traits?	a. Tradition	b. Concept	c. Gesture	d. Material object
25. Which of the following describes a behavior, often dating back several generations, that is practiced within a homogeneous group of people?	a. Manners	b. Attitude	c. Popular custom	d. Folk custom
26. A _____ is a system of social stratification in which people are born into a social ranking, with no opportunity for social mobility.	a. moksha	b. class system	c. caste system	d. kosher
27. Which of these religions is the world's single largest religion?	a. Jewish	b. Christianity	c. Islamic	d. Confucianism
28. Which of these, according to Hofstede, describes the degree of inequality between people in different occupations?	a. Power distance	b. Uncertainty avoidance	c. Individualism	d. Collectivism
29. An autocratic style of management would be best received in which of the following situations?	a. Low power-distance countries	b. High power-distance countries	c. Uncertainty avoiding countries	d. Countries with high individualism
30. An arrangement in which one company provides a foreign company with a complete package of materials and services including advice and standardized operating procedures is called?	a. outsourcing.	b. licensing.	c. direct investment.	d. franchising.
31. Which of the following is an example of paralanguage?	a. Widening your eyes	b. Moving closer to the listener	c. Speaking faster	d. Touching while you speak
32. An arrangement in international business in which two companies, a foreign company and a local firm, invest together to create a local business is called	a. joint venture.	b. local assembly.	c. indirect exporting.	d. licensing.
33. Two carmakers have developed a strange, but successful partnership. Ford, a U.S. automaker, and Mazda, an Asian carmaker, have collaborated on several models including the Explorer, the Probe, the Mazda 323, and the MX-6. The U.S. automaker has supplied Mazda with help in marketing, finance, and styling. In return, Mazda has provided manufacturing and product development expertise with Ford. Both companies have worked together toward a common goal and both have benefited as a result of their _____.	a. international savvy	b. international competitive expertise	c. strategic alliance	d. knowledge of global competition

34. Which of the following is not an advantage to licensing?	a. Capital-free entry	b. Low risk	c. Can obtain information about the dynamics of the market	d. Increased employment in the company licensing its brand or technology
35. Companies which contract with a foreign firm to make products according to stated specifications are using	a. direct exporting.	b. indirect exporting.	c. licensing.	d. local manufacturing.
36. As a firm moves from exporting to direct investment, the relative amount of a firm's financial commitment, risk, and profit potential	a. increases.	b. decreases.	c. remains the same.	d. the risks decrease and potential for profit increases.
37. The practice of international management is best approached from which of the following perspectives?	a. Historical	b. Human relations	c. Contingency	d. Systems approach
38. The rules of the game for the international manager are set by	a. multinational corporations.	b. international trade associations.	c. international political associations.	d. individual countries and cultures.
39. What is perhaps the most likely reason why McDonald's has aggressively expanded internationally?	a. Cut costs	b. Find new sources of financing	c. Overcome limited expansion opportunities at home	d. Establish economies of scale.
40. The entry strategy of _____ provides the least amount of risk and resource costs, but also the least control.	a. exporting	b. licensing	c. franchising	d. a joint venture
41. An MNC that is host-country oriented is called	a. ethnocentric.	b. polycentric.	c. geocentric.	d. localcentric.
42. The emergence of a largely borderless economic world has created a _____ for markets of all shapes and sizes.	a. condition of chaos	b. terrible business climate	c. paradigm shift	d. new reality
43. A manager in Japan should realize that Japanese are motivated	a. by time off.	b. in groups.	c. by money only.	d. by public praise only.
44. A key to successfully implementing a "push" promotion strategy abroad is	a. to create a brand loyal consumer.	b. a company's international sales force.	c. creating consumer demand through mass-media advertising.	d. all of the above.
45. Which of the following best describes the global economy?	a. Trade	b. Diversity	c. Interdependency	d. Multinational corporation
46. _____ are imitation products passed off as legitimate trademarks, patents, or copyrighted works.	a. Brand name goods	b. Counterfeit goods	c. Foreign goods	d. Intangible goods
47. The TRIAD market consists of which regions?	a. Western Europe, Eastern Europe, and North America	b. Western Europe, Asia, and the United States	c. Western Europe, Asia, and North America	d. Europe, Southeast Asia, and the Americas
48. The risk of expropriation is highest in countries that	a. have a large number of MNC's operating.	b. experience continuous political upheaval.	c. have low levels of education and economic development.	d. have unstable economies.
49. All of the following are examples of domestic economic conditions except	a. size of population.	b. economic growth over the last five years.	c. availability of energy resources.	d. legal protection of brands.
50. A country's ability or intention to meet its financial obligations determines its	a. economic risk.	b. political risk.	c. expropriation risk.	d. appropriability risk.
51. Which of these is essential to production in any country?	a. Availability of labor	b. Tariffs and quotas	c. Government control	d. Local financing
52. Government regulation and government bureaucracy are important factors evaluated in which of these steps of the market / site screening process?	a. Identify basic appeal	b. Measure market / site potential	c. Assess the infrastructure	d. Assess the national business environment

53. Tariffs serve primarily to	a. encourage foreign trade.	b. equalize production capacity.	c. raise prices on imports.	d. limit the amount of goods leaving the domestic market.
54. Limits placed on foreign producers which guarantee that approximately 50 percent of the U.S. sugar market be reserved for American sugar growers is an example of	a. tariffs.	b. blocked currency.	c. quotas.	d. excise taxes.
55. The use of the Internet raises difficult questions about	a. ownership of intellectual property.	b. taxation.	c. residence location.	d. all of the above.
56. Which of these is the main political motive behind government intervention in trade?	a. Promotion of a strategic trade policy	b. Protecting jobs	c. Protection of national identity	d. Protecting young industries from competition
57. Which of these industries is typically protected for national security reasons?	a. Agriculture	b. Textile	c. Cosmetic	d. Housing
58. A tariff levied by the government of a country that a product is passing through on its way to a final destination is called a _____ tariff.	a. transit	b. domestic	c. export	d. import
59. A ban on trade in one or more products with a particular country is call a(n)	a. embargo.	b. tariff-quota.	c. tariff.	d. export restraint.
60. Fluctuations in _____ among the world's currencies are of critical importance in global marketing.	a. immigration	b. reciprocity	c. exchange rates	d. equity
61. If a U.S. dollar had been worth 2 German marks in 1999 and 4 German marks in 2000, then American goods would have been _____ expensive in Germany in 1999 than in 2000.	a. more	b. less	c. equally as	d. cannot be determined with the information given
62. Personnel directors typically select potential expatriates on the basis of	a. their ability to speak more than one language.	b. their ability to adapt to different cultures.	c. their desire to learn another culture.	d. their domestic track record and technical expertise
63. Managers prefer that exchange rates be	a. stable.	b. freely floated.	c. volatile.	d. unpredictable.
64. Which is the final stage of the culture shock process?	a. Gradual adjustment	b. The honeymoon stage	c. Biculturalism	d. Irritation and hostility
65. When a country has a weak currency relative to other nations, it makes imports _____ relative to domestic products.	a. more expensive	b. equitable in price	c. more attractive	d. less expensive
66. All of the following are barriers to a global staffing policy, except	a. staff availability.	b. corporate strategy.	c. cost constraints.	d. host government requirements.
67. Among older Japanese women, a management position	a. a. was a great honor.	b. caused her husband loss of face.	c. was common for college educated women.	d. All of the above
68. What is the term for a firm selling a product in a foreign country below its domestic price or below its actual cost?	a. Competition	b. Monopolistic practice	c. Globalization	d. Dumping
69. European nations are most likely to use which type of law?	a. Common	b. International	c. Statutory	d. Civil
70. Under what form of law are past court decisions used as precedents?	a. Religious law	b. Civil law	c. Common law	d. Statutory law
71. The modern Western system of _____ is technically illegal in Moslem nations.	a. steel	b. consumer products	c. textiles	d. banking
72. Seizure of assets falls into all of these categories except	a. confiscation.	b. local content requirements.	c. expropriation.	d. nationalization.

73. Which of these is the policy of hiring people to represent a company's views on political matters?	a. Partnership	b. Lobbying	c. Bilateral agreement	d. Localization
74. The Foreign Corrupt Practices Act forbids U.S. companies from _____ government officials or political candidates in other nations.	a. lobbying	b. politically influencing	c. bribing	d. contacting
75. A _____ is a right granted to the inventor of a product or process that excludes others from making, using, or selling the invention.	a. patent	b. trademark	c. civil right	d. copyright
76. The Nike "Swoosh" is a	a. patent.	b. fad.	c. copyright.	d. trademark.
77. The main goal of privatization is to	a. lower the responsibility and accountability.	b. increase economic efficiency.	c. increase subsidies to companies.	d. slow the economic growth.
78. In 1999, the U.S. government brought charges against Microsoft for which of these?	a. To enforce antitrust laws	b. For having too much money	c. To reduce competition	d. For laying off too many people
79. When one company is able to control a product's supply—and therefore its price—it is considered a(n)	a. government-owned company.	b. monopoly.	c. underground-controlled company.	d. supply-driven company.
80. In a countertrade exchange, PepsiCo trades soft drink concentrate with Russia for	a. exclusive rights to future Pizza Hut and Taco Bell franchises.	b. information of MIA's from the war in Vietnam.	c. Stolichnaya Vodka.	d. Beluga Caviar.
81. A process that involves the study of similarities and differences among consumers in two or more nations or societies is called	a. international attitude evaluation.	b. multigraphic societal scanning.	c. polyphasic anthropology	d. cross-cultural analysis
82. The reverence that Japan shows towards its elderly is an example of the nation's	a. values.	b. beliefs.	c. customs.	d. religion.
83. The number 13 is considered "unlucky" in America whereas the number 4 is considered "unlucky" in Japan. This is an example of differences in	a. cultural symbols.	b. values.	c. ethics.	d. morals.
84. If you were responsible for marketing communications at Paper Mate, the pen manufacturing company, and had to provide product literature to be distributed in France, you would be wise to use what is called "_____" whereby you have your literature translated from American English into French, and then from French into American English by someone in France.	a. back talk	b. back translation	c. double talk	d. double indemnity
85. Since global marketing is affected by economic consideration, a scan of the global marketplace should include	a. a comparative analysis of the economic development in different countries.	b. an assessment of the economic infrastructure in the countries.	c. consumer income in different countries.	d. all of the above.
86. Wrigley's Gum distributes its products in identical form in all the countries in which it markets. This is an example of which type of international product strategy?	a. Extension	b. Customized	c. Adaptation	d. Invention
87. The majority of the total world merchandise trade occurs	a. between high-income countries and low- and middle-income nations.	b. among world's high-income economies.	c. among low- and middle-income nations.	d. among the emerging markets.

88. An institution that sets rules governing trade between its members through a panel of trade experts who decide on trade disputes between members and issue binding decisions is the	a. World Health Organization.	b. World Trade Organization.	c. International Cooperation Organization.	d. League of Nations.
89. Just as countries and regions can discourage international trade through trade barriers, they can also encourage it through offering ____, helping on site location, and providing other services.	a. lavish parties and entertainment	b. bribes placed in numbered Swiss bank accounts	c. prison labor	d. investment incentives
90. Hungary has offered a five-year “tax holiday”—a period during which no corporate taxes will be assessed—to encourage foreign firms to develop manufacturing facilities there. What is the term for this in international business?	a. Global cooperation	b. Trade incentive	c. Bribery	d. Countertrade
91. When a country is not able to produce a good more efficiently than another, but produces the good more efficiently than any other goods, it is said to have a(n)	a. absolute advantage.	b. resource problem.	c. zero-sum game.	d. comparative advantage.
92. Which of these is not a problem associated with the infant industry argument?	a. It can cause domestic companies to become overly innovative.	b. Once protection of an industry is given, it can be politically difficult to eliminate it.	c. Protection can do more economic harm than good.	d. Governments are required to distinguish between industries that are worth protecting and those that are not.
93. The Uruguay Round of negotiations modified the original GATT treaty in all of the following ways except	a. intellectual property rights were clearly defined.	b. the WTO was established to enforce the new GATT.	c. tariffs and nontariff barriers in trade in telecommunications were reduced significantly.	d. international trade in services was included in the GATT for the first time.
94. A key component of the WTO that was carried over from the GATT is the principle of non-discrimination called	a. normal trade relation.	b. equality of all nations.	c. equity exchange.	d. fairness principle.
95. Which form of entry into a foreign market requires the greatest commitment?	a. Direct exporting	b. Direct investment	c. Joint venture	d. Licensing
96. The world’s three most important financial centers are	a. Bonn, Zurich, and New York.	b. London, Amsterdam, and Sydney.	c. New York, Tokyo, and Bombay.	d. Tokyo, London, and New York.
97. Which of these is the market consisting of all stocks bought and sold outside the issuer’s home country?	a. The Eurocurrency market	b. The international equity market	c. The foreign exchange market	d. The international bond market
98. When goods are stored in a commercial warehousing facility, the parties to the contract have entered into what type of agreement?	a. A bailor-benefit bailment	b. A bailee-benefit bailment	c. A mutual benefit bailment	d. A commercial bailment
99. A ____ is a system of social stratification in which people are born into a social ranking, with no opportunity for social mobility.	a. moksha	b. class system	c. caste system	d. kosher
100. Foreign countries with very low per capita incomes may, nonetheless, be attractive markets for expensive goods. Mexico, for example, has an average income of less than \$1,000 but is a good market for luxury automobiles. The reason is	a. consumers spend more than they can afford	b. foreign consumers save more than U.S. consumers	c. currency exchange rates	d. income is unevenly distributed