

<b>Indicate whether the sentence or statement is True or False, Mark "A" if True or "B" if False.</b>				
1. The meanings of body language are universal.	a. True	b. False		
2. Reverse culture shock is a normal reaction to returning home after a lengthy stay abroad.	a. True	b. False		
3. Some cultures communicate very indirectly, and others communicate very directly.	a. True	b. False		
4. In a high-context culture, language is very direct and words are taken literally.	a. True	b. False		
5. Direct exporting occurs when a company actively seeks to sell goods and services in other countries.	a. True	b. False		
6. When a company does business in another country, it must observe its own country's laws, the host country's laws, and any treaties and trade agreements involving that country.	a. True	b. False		
7. Non-democratic countries that wish to participate in international business usually recognize property rights in order to attract international business.	a. True	b. False		
8. Most countries have more than one court system, and the rules and procedures are usually different in each system.	a. True	b. False		
9. A command economy operates on the forces of supply and demand.	a. True	b. False		
10. The gross domestic product of France would not include products manufactured in England using French resources.	a. True	b. False		
11. In market economies, most economic decisions are made by the government.	a. True	b. False		
12. Expanded international business activities make different types of jobs available for workers.	a. True	b. False		
13. The infrastructure of a country can affect the marketing plan.	a. True	b. False		
14. Usually, advertising for a product can be the same in every country as long as the language is changed.	a. True	b. False		
15. The U.S. government restricts the number of textiles that can be imported from China every year. This is an example of an import quota.	a. True	b. False		
16. Consumers in different countries may have different personalities and psychographic factors, but consumer physical and emotional needs are the same in all countries.	a. True	b. False		
17. A multinational enterprise in a host country must operate within the host country's economic, social, and legal constraints.	a. True	b. False		

18. Customs duties are often assessed to make imported products more expensive than similar products produced locally.	a. True	b. False		
19. A trade deficit is created by a favorable balance of payments.	a. True	b. False		
20. Items bought at a free-trade zone of an airport and then taken into the country are subject to the customs duties of that country.	a. True	b. False		
21. The World Intellectual Property Organization (WIPO) coordinates international treaties to protect patents, trademarks, and other intellectual property.	a. True	b. False		
22. The exchange rate of currencies always stays the same from one day to the next.	a. True	b. False		
23. The World Bank has the major function of providing economic assistance to less-developed countries.	a. True	b. False		
24. The International Monetary Fund sets the exchange rate for currencies in different countries.	a. True	b. False		
25. Countries may borrow money to cover operating expenses just as companies do.	a. True	b. False		
<b>Mark the correct answer on your Scantron sheet for each of the following questions.</b>				
26. Of the following choices, the one that is not a characteristic of a culture is that it is	a. learned	b. unifying.	c. shared.	d. always written down.
27. A language that is not considered a major language for international business purposes is	a. Bahasa Indonesian.	b. French.	c. German.	d. Spanish.
28. Of the following language-related statements, the only statement that is true is	a. English is the only language ever used for international business purposes.	b. Japanese is a language used by one unimportant trading country.	c. international businesspersons often prefer to transact business in their native languages, even if they speak English well.	d. for a career in international business, you need to learn at least ten languages besides your native language.
29. High-context communication is typical in	a. Canada.	b. Germany.	c. The United States.	d. Japan.
30. Business subcultures would probably be very similar in	a. France, Egypt, and Chile.	b. the U.K., U.S.A., and Italy.	c. Argentina, Chile, and Venezuela.	d. Finland, U.S.A., and Egypt.
31. All of the following are benefits of international business except	a. expanded business opportunities.	b. increased sources of raw materials.	c. decreased competition.	d. improved political relationships.
32. In a culture with strong business and family ties	a. several members of a family may work in the same business.	b. family members are usually promoted first in a family-owned business.	c. protecting a family member is sometimes more important than a good business decision.	d. All of the above
33. Education, occupation, and income are factors that may determine	a. mobility.	b. gender roles.	c. class level.	d. cross-cultural differences.
34. Of the following countries, the one in which there are strong ties between family and business is	a. Mexico.	b. Australia.	c. Canada.	d. the United States.

35. All of the following choices are stages of the culture shock process except	a. total rejection of the new culture after a lengthy stay there.	b. happiness or euphoria.	c. frustration, anger, or depression.	d. acceptance of the new culture.
36. A citizen of the United States who has recently returned home after living in an underdeveloped section of Africa for two years is least likely to say	a. "This air-conditioning works too well; I'm chilly."	b. "Everything is exactly as it was when I left two years ago."	c. "He has worn a different outfit to work every day for the last two months."	d. "Wow! There are at least 20 flavors of ice cream from which to choose."
37. Members of a society are most likely to have good educational opportunities in	a. a developing country.	b. a less developed country.	c. an industrialized economy.	d. an agricultural society.
38. In most cultures' beliefs about gender roles	a. both males and females work outside the home.	b. males are the primary workers outside the home.	c. females may work outside the home, but are not the primary support of the family.	d. None of the above
39. A joint venture exists when	a. companies in two countries are taxed as a single organization.	b. a foreign government buys imported goods or services.	c. a company obtains the right to use a company name or business process.	d. two or more companies share a business project.
40. A separate foreign company owned by a parent company is called a	a. joint venture.	b. wholly owned subsidiary.	c. cooperative.	d. municipal corporation.
41. The free-rein manager	a. rules with a heavy hand.	b. regularly consults with employees.	c. exists primarily as a contact person for outsiders.	d. centralizes authority in his or her position.
42. Argo, Inc., is a global corporation with Asian, European, and North American divisions. From this information, you can infer that it is organized by	a. geography.	b. function.	c. product.	d. process.
43. Juliette supervises three printing-press operators at the local newspaper. Juliette is a	a. front-line manager.	b. middle manager.	c. senior manager.	d. chief executive officer.
44. Span of control refers to	a. the distance in feet between the employees and their manager.	b. the number of levels of managers within the organization.	c. the distance between levels of management in an organization.	d. the number of employees that a manager supervises.
45. A well-constructed organizational chart documents	a. autocratic management.	b. selected managerial relationships within the organization.	c. all the departmental relationships within the organization.	d. only managerial positions within the organization.
46. In the managerial sense, delegating is	a. selecting a representative to government.	b. transferring authority and responsibility.	c. accepting authority and responsibility, alone.	d. centralizing power.
47. A manager who usually completes projects by ordering employees to do certain tasks, but does not tell the employees how the tasks contribute to the project is	a. an autocratic manager.	b. a participative manager.	c. a free-rein manager.	d. a manager who combines several styles of management.
48. Lines of authority	a. are usually less clearly understood in a small sole proprietorship.	b. indicate who is responsible to whom and for what.	c. are not as important in a larger business where people work as teams.	d. are not as important in a smaller business where there is one supervisor.

49. All of the following are characteristics needed by managers of the future global corporation except to be	a. able to manage transition and change in a culturally diverse world.	b. able to quickly adapt to a changing environment.	c. able to function as part of a team.	d. able to make quick decisions without regard to consequences for other managers.
50. The legal concept that refers to every kind of responsibility, obligation, or duty of a person or business is called	a. a contract.	b. strict liability.	c. product liability.	d. liability.
51. The term consideration refers to	a. the protection of a symbol used as an identifying mark by a business.	b. something of value received or promised in a contract.	c. the mutually agreed-upon settlement resulting from mediation.	d. the legally binding decision of an arbitrator.
52. Parties that can appear before the International Court of Justice include	a. countries, companies, and individuals.	b. countries and companies.	c. only companies.	d. only countries.
53. Components required for a contract to be valid and enforceable include	a. legal agreement, mutual capacity, consideration, and provisions for arbitration.	b. provisions for arbitration, agreement to forgo litigation, mediated agreement, and consideration.	c. consideration, legal purpose, mutual agreement, and capacity.	d. consideration, arbitration, mediation, and capacity.
54. The International Court of Justice's legal principles are based primarily on principles of law from	a. Western countries.	b. all countries in the world.	c. Asian countries.	d. Islamic countries.
55. The method of international business with the lowest risk is	a. indirect exporting.	b. franchising.	c. a joint venture.	d. foreign direct investment.
56. A liability for unpaid wages that are due to an employee for work performed is an example of	a. product liability.	b. strict liability.	c. liability for debt, loss, and injury.	d. wage liability.
57. International treaties and trade agreements may serve all the following purposes except	a. setting currency exchange rates.	b. allowing free flow of goods and services between member countries.	c. helping to provide uniformity between different cultures and customs.	d. helping to ensure fair competition practices between member countries.
58. A global dependency exists when	a. massive crop failures require buying food from another country.	b. a country buys tools from another country because it does not have the technology to make the tools.	c. doctors travel to another country to provide healthcare because there is a shortage of medically-trained professionals in that country.	d. All of the above
59. Historically, international business	a. is a relatively new concept made possible by communications technology.	b. probably occurred as long as 15,000 years ago.	c. declined when European countries created colonies on other continents.	d. None of the above
60. Free trade among countries can be restricted by	a. import taxes.	b. trade barriers.	c. import quotas.	d. All of the above
61. A country's need to purchase food from other countries is an example of	a. exporting.	b. domestic business.	c. global dependency.	d. a trade barrier.

62. An example of exporting would be	a. products made and sold in Japan.	b. a European country's tax on products made in other countries.	c. products that were made in Poland and bought by Polish consumers.	d. products sold by a company in Mexico for purchase by Italian consumers.
63. An example of a trade barrier would be	a. a limit on the number of foreign automobiles a country allows to be imported.	b. efforts by a government to encourage exporting among businesses in its country.	c. consumers who prefer to buy products from domestic companies rather than foreign companies.	d. a sales tax on products made and sold within a country.
64. A political factor affecting international business activities would be	a. the general education level of a country's population.	b. religious beliefs.	c. the type of government.	d. a country's commonly used language.
65. International business most commonly affects consumers by creating	a. a greater variety of buying choices.	b. fewer buying choices.	c. a change in taxes.	d. fewer stores to shop in.
66. A factor that could describe a nation's demographics is	a. educational level.	b. political system.	c. social values.	d. technology.
67. A political influence of the marketing environment would be a nation's	a. population distribution.	b. religious beliefs.	c. type of government	d. system of schools.
68. An example of standardized advertising would be	a. maintaining the same ads for many years to help customers understand the benefits of a product.	b. advertising agencies that help small companies plan ads for different countries.	c. television commercials created to communicate different messages for different target markets.	d. the use of one promotional approach in all geographic regions.
69. A company that desires salespeople who are most familiar with the culture of a nation would hire	a. local nationals.	b. expatriates.	c. import brokers.	d. third-country nationals.
70. A global intermediary that buys and sells products and distributes those goods to markets in other countries is	a. an export management company.	b. an export trading company.	c. a freight forwarder.	d. a customs broker.
71. Tariffs, quotas, and boycotts are examples of	a. civil unrest.	b. political unrest.	c. trade barriers.	d. none of the above.
72. Protectionism policies such as tariffs and quotas are used because	a. the government wants to make it harder for companies in other countries to compete with local companies.	b. consumers need to be protected from inferior or hazardous products.	c. the country needs additional revenue.	d. None of the above
73. Governments encourage and promote its country's exports primarily because	a. exports create jobs and foster economic prosperity.	b. exports increase the country's international image and reputation.	c. exports increase government revenues through selling export insurance.	d. None of the above
74. When countries join together to eliminate duties and other trade barriers, allow companies to invest freely in each other's country, and allow workers to move freely across borders, they are said to have	a. free-trade zones.	b. most favored nation status.	c. a free trade agreement.	d. a common market.
75. A tax that can be used as a trade barrier is the	a. personal income tax.	b. excise tax.	c. value added tax.	d. import duty tax.
76. The most serious form of political risk for a multinational company is	a. privatization.	b. expropriation.	c. import quotas.	d. double taxation.

77. A purchase agreement should include all of the following details except	a. who will pay for shipping.	b. the amount of customs duty.	c. how the payment will be made.	d. when the items will be delivered.
78. In 1979, the Shah of Iran was overthrown and a new government was established. This government immediately seized control of all U.S. companies and assets in Iran. This is an example of	a. privatization.	b. expropriation.	c. commercial risk.	d. granting most favored nation status.
79. If the United States placed a trade embargo on a foreign country,	a. quotas would be placed on all goods entering the United States.	b. no products could be traded between the United States and the foreign country.	c. all businesses owned by the foreign government in the United States would be privatized.	d. the United States would have granted most favored nation status to this foreign country.
80. An organization that bonds countries together to allow a free flow of products is called	a. an economic community.	b. a monopoly.	c. an industry.	d. a balance of trade agreement.
81. A country with exports of \$6 million and imports of \$10 million has a(n)	a. trade surplus.	b. trade deficit.	c. favorable balance of payments.	d. unfavorable balance of payments.
82. A country with exports of \$6 million and other cash coming into the country of \$3 million and imports of \$5 million and other cash going out of the country of \$3 million has a	a. trade surplus.	b. trade deficit.	c. favorable balance of payments.	d. unfavorable balance of payments.
83. Money given as foreign aid to another country	a. decreases the balance of payments of the country making the payment.	b. increases the balance of payments of the country making the payment.	c. has a negative effect on the trade deficit.	d. None of the above
84. The value of a country's currency would be increased by	a. an unfavorable balance of trade.	b. lower inflation.	c. political instability.	d. higher interest rates.
85. The exchange rate for a stable country	a. remains the same unless there is a political change.	b. changes somewhat from day to day.	c. is always based on the U.S. dollar.	d. None of the above
86. A payment method that involves a financial document issued by a bank for an importer in which the bank guarantees payment is	a. cash in advance.	b. a letter of credit.	c. a sale on account.	d. an account receivable.
87. A currency future is	a. an exchange rate.	b. an exchange control.	c. a contract.	d. None of the above
88. Of the following, the least useful type of training to a French employee working in South Korea would be	a. Korean language.	b. economy.	c. culture.	d. court system.
89. The type of human resources approach that uses natives of the host country to manage operations within their country and parent-country natives to manage at headquarters is the	a. ethnocentric approach.	b. polycentric approach.	c. regiocentric approach.	d. geocentric approach.
90. The type of human resources approach that uses the best available managers without regard for their countries of origin is the	a. ethnocentric approach.	b. polycentric approach.	c. regiocentric approach.	d. geocentric approach.
91. All of the following are dimensions of the factor of competence for a position in another country except	a. cultural awareness and language skills.	b. technical knowledge and experience.	c. desire to work abroad.	d. leadership and the ability to manage.
92. All of the following are dimensions of the factor of personal characteristics for a position in another country except	a. maturity.	b. social acceptability.	c. tactfulness.	d. foreign language fluency.

93. The chances of employee failure on an overseas assignment can be reduced by all of the following practices except	a. providing training before, during, and after the assignment.	b. making international assignments part of the long-term employee development process.	c. providing a job that use the employee's international experience when the employee returns from the assignment.	d. providing extra compensation for taking an international assignment.
94. Human resource management is different in the global and the domestic environments because	a. labor markets are the same around the world.	b. all companies in the global environment choose the same human resources mix.	c. there are no obstacles to worker mobility.	d. companies must cope with differences in national and global orientations.
95. Cultures with high power distance values probably have	a. participative leadership.	b. decentralized decision making.	c. large wage differences between management and workers.	d. managers selected by educational achievement.
96. Evaluating employee performance in company offices around the world	a. should be tailored to meet local environment, task, and individual personality differences.	b. may present a challenge in cultures in which evaluation is seen as a lack of trust.	c. may use different standards and forms in different countries even in the same company.	d. All of the above
97. Of the following, the one that is not a reason for using mediation or arbitration instead of court action to settle a dispute is	a. to save time.	b. to follow legal procedures.	c. to avoid bad publicity.	d. to avoid the risk of discriminatory treatment in a foreign court.
98. A mediator does all of the following except	a. makes a binding decision.	b. makes suggestions and proposals.	c. helps the parties reach a compromise.	d. addresses the substance of the dispute.
99. All of the following choices are examples of nonverbal communication except	a. waving to a friend.	b. speaking to your teacher.	c. wearing red on Valentine's Day.	d. standing two feet from your friend.
100. Which of the following statements is true regarding a future oriented society?	a. Managers and workers do not necessarily believe that hard work can lead to future success.	b. People believe they can control nature.	c. Managers actively try to change situations.	d. Managers believe that they must accept situations rather than change them.

**FBLA 2003 INTERNATIONAL BUSINESS ANSWER KEY**

	<b>B</b>		<b>D</b>		<b>B</b>		<b>B</b>
	<b>A</b>		<b>A</b>		<b>D</b>		<b>B</b>
	<b>A</b>		<b>C</b>		<b>C</b>		<b>B</b>
	<b>B</b>		<b>D</b>		<b>A</b>		<b>B</b>
	<b>A</b>		<b>C</b>		<b>A</b>		<b>A</b>
	<b>A</b>		<b>C</b>		<b>C</b>		<b>B</b>
	<b>A</b>		<b>D</b>		<b>A</b>		<b>C</b>
	<b>A</b>		<b>C</b>		<b>D</b>		<b>A</b>
	<b>B</b>		<b>A</b>		<b>B</b>		<b>B</b>
	<b>A</b>		<b>A</b>		<b>D</b>		<b>B</b>
	<b>B</b>		<b>B</b>		<b>C</b>		<b>B</b>
	<b>A</b>		<b>C</b>		<b>D</b>		<b>C</b>
	<b>A</b>		<b>D</b>		<b>A</b>		<b>D</b>
	<b>B</b>		<b>D</b>		<b>C</b>		<b>B</b>
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	<b>B</b>		<b>C</b>		<b>A</b>		<b>C</b>
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	<b>B</b>		<b>D</b>		<b>A</b>		<b>D</b>
	<b>A</b>		<b>C</b>		<b>B</b>		<b>C</b>
	<b>A</b>		<b>B</b>		<b>C</b>		<b>D</b>
	<b>B</b>		<b>A</b>		<b>A</b>		<b>B</b>
	<b>A</b>		<b>B</b>		<b>A</b>		<b>C</b>
	<b>B</b>		<b>D</b>		<b>D</b>		<b>B</b>
	<b>A</b>		<b>D</b>		<b>D</b>		<b>C</b>