**Global Business - 2016 SLC**

1)  The economic system based upon the profit motive is the:

A) socialist economy

B) command economy

C) market economy

D) mixed economy

2)  Global dependency exists when:

A) countries count on financial aid from other parts of the world

B) items that consumers need and want are created in other countries

C) countries ban foreign trade

D) a citizen from a country gives birth to a child in a foreign country

3)  \_\_\_ are products sold in other countries.

A) Domestic goods

B) Imports

C) Exports

D) Foreign goods

4)  Which is **not** a cultural and social factor that affects the international business environment?

A) education

B) language

C) values and customs

D) type of government

5)  The host country

A) is the country in which a multinational enterprise is headquartered

B) is the country in which a multinational enterprise is a guest

C) does not have influence on the operation of the international business

D) is a democracy that allows the entrance of international businesses

6)  Which country would have the greatest number of extended families?

A) Mexico

B) Canada

C) Australia

D) United States

7)  \_\_\_\_ are people who live and work outside of their native countries.

A) Parent-country nationals

B) Foreign employees

C) Expatriates

D) Third-country nationals

8)  The \_\_ uses managers from various countries with the geographic region of a business.

A) polycentric approach

B) geocentric approach

C) regiocentric approach

D) ethnocentric approach

9)  Employers for multinational companies do not hire employees based on

A) adaptability

B) competence

C) ethnocentrism

D) personal characteristics

10)  Managers and families moving to other parts of the world take part in \_\_\_ to understand the local culture.

A) repatriation training

B) spousal employment counseling

C) global orientation

D) cross-cultural training

11)  Which of the following is an international firm?

A) Sunrise Computer Systems

B) Gary's Gas Station

C) Buer's Brewers

D) Walmart, Inc.

12)  Of the following statements, the one that does **not** describe a multinational company is that

A) it maintains both an international and local perspective.

B) it maintains only a local perspective to simplify processes.

C) its strength is that it offers a different product in each market.

D) coordination between international and local representation is crucial.

13)  An economy that allows an individual to personally own a business with little or no interference from the government is a:

A) command economy

B) mixed economy

C) market economy

D) communist economy

14)  One of the most troubled economies in the world is:

A) Japan

B) Greenland

C) Australia

D) Germany

15)  The United States is\_\_\_\_\_\_\_\_\_\_ percent of the world's population.

A) 10

B) 3

C) 5

D) 7

16)  A U.S. toy company allows a Chinese company to create clothing and school supplies with one of the U.S. company's doll characters on the products. This is an example of:

A) direct exporting

B) franchising

C) licensing

D) indirect exporting

17)  The \_\_\_ brings together resources for a company to get started and operate successfully.

A) wholesaler

B) entrepreneur

C) CEO

D) retailer

18)  Global corporations focus on:

A) product and pricing sameness worldwide.

B) creating products that are universally accepted or standardized.

C) cultural diversity in all company-owned enterprises.

D) ethnocentricity for all employees.

19)  \_\_\_ is when a company buys land or other resources in another country.

A) A wholly-owned subsidiary

B) Foreign direct investment

C) Management contracting

D) A joint venture

20)  Which of the following is **not** advantage of operating a business as a sole proprietorship?

A) limited risks

B) owner is the boss

C) freedom to make business decisions

D) ease of starting

21)  Owners of a \_\_\_\_ do **not** have unlimited liability.

A) sole proprietorship

B) partnership

C) cooperative

D) corporation

22)  \_\_\_\_ occurs when the engine of an automobile is produced in Germany and the rest of the automobile is produced in the United States.

A) Foreign direct investment

B) Management contracting

C) Licensing

D) Franchising

23)  \_\_\_\_ is an agreement between two or more companies from different countries to share a business project.

A) Joint venture

B) Licensed agreement

C) Franchise

D) Independent contract

24)  The United States has many sellers offering blue jeans. This is an example of

A) an oligopoly

B) a monopoly

C) restricted imports

D) pure competition

25)  \_\_\_ refers to when a company avoids the risks related to international business by only selling products in its home country.

A) Risk avoidance

B) Risk sharing

C) Risk assumption

D) Risk reduction

26)  Self insurance of \_\_\_ occurs when a company takes responsibility for losses from certain risks.

A) Risk avoidance

B) Risk reduction

C) Risk assumption

D) Risk sharing

27)  Property or risks **not** covered by an insurance policy are called

A) endorsements

B) deductions

C) declarations

D) exclusions

28)  The \_\_\_\_ is a certificate that adds to or changes the coverage of an insurance policy.

A) exclusion

B) rider

C) condition

D) endorsement

29)  When purchasing insurance, the first step is to

A) implement a risk management program

B) select a risk management method

C) identify potential risks

D) evaluate risks

30)  The multinational company does **not** have to comply with the home country’s \_\_\_ mandates.

A) social

B) religious

C) economic

D) legal

31)  The only western European country that did **not** develop a comprehensive set of rules at one time is:

A) Germany

B) England

C) Sweden

D) France

32)  A tax holiday is sometimes given to companies that invest in foreign countries. This means the corporation does **not** pay corporate income taxes if it invests in their country. These tax holidays may last for as long as \_\_\_\_\_\_ years.

A) 20

B) 15

C) 10

D) 5

33)  When using the term "consideration" in regards to a contract, what does this generally mean?

A) Something of value must be given by both parties.

B) One party agrees to be considerate of each others' needs.

C) Something of value must be given by only one party.

D) One of the party offers valid terms, and the other party accepts them.

34)  \_\_\_ is a legal system that relies on the accumulation of decisions made in prior cases.

A) Precedent

B) Corporate law

C) Civil law

D) Common law

35)  \_\_\_\_ protect the rights to inventions in the United States but may **not** be honored in other parts of the world.

A) Copyrights

B) Trademarks

C) Patents

D) Trade secrets

36)  \_\_\_ means that individuals carry their beliefs, values, and assumptions with them at all times.

A) Subculture

B) Ethnocentrism

C) Egocentrism

D) Cultural baggage

37)  The language that has the greatest number of speakers throughout the world is

A) Spanish

B) English

C) Chinese Mandarin

D) Hindi

38)  While white teeth are valued in the United States, blackened teeth are valued in

A) Southeast Asia

B) the Middle East

C) Western Europe

D) Canada

39)  Wearing a cross-shaped necklace is illegal in

A) China

B) India

C) Saudi Arabia

D) Japan

40)  Which of the following is **not** a positive impact of technology on global marketing?

A) better distribution

B) expanded communication

C) faster production

D) breached security

41)  Changing demographics for a country

A) diminishes the marketing opportunities

B) increase production costs for businesses

C) do not impact domestic trade

D) open new marketing opportunities

42)  Attitudes affect consumer behavior. Attitudes are classified as \_\_\_ factors.

A) demographic

B) psychographic

C) geographic

D) cultural

43)  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ is a term used to describe a policy which encourages exports, discourages imports, controls capital movement and centralizes currency decisions in the hands of a central government.

A) Neomercantilism

B) Mercantilism

C) Factor proportions

D) State sovereignty

44)  When comparing countries for market potential, one can generally say that:

A) per capita income is the best indicator to use

B) labor costs are the most important

C) population size is the best indicator

D) companies must consider variables other than income and population when estimating potential demand

45)  The \_\_\_\_ ships goods to customers in other countries.

A) export trading company

B) wholesaler

C) freight forwarder

D) customs broker

46)  \_\_\_ is **not** a service provided by retailers.

A) Sales staff assistance

B) Product selection

C) Consumer convenience

D) Storing and transportation of goods

47)  Slogans and trademarks

A) may not have the same translation in different countries.

B) stay the same for company recognition.

C) should always stay the same for ease in marketing products.

D) have no specific international purpose.

48)  Changing demographics for a country will:

A) not impact domestic trade

B) open new marketing opportunities

C) increase production costs for businesses

D) diminish the marketing opportunities

49)  The same marketing functions must be completed by businesses whether marketing nationally or internationally and include but aren't limited to:

A) product/service management, selling, promotion, investment

B) distribution, selling, financing, promotion

C) culture, financing, subsidies, investments

D) investments, manufacturing, culture, management

50)  Which one of the following is **not** a positive impact of technology on global marketing?

A) faster production

B) expanded communication

C) breached security

D) better distribution

51)  E-commerce

A) has increased Wal-Mart's costs.

B) is used by Dell to supply custom-built PCs all over Europe.

C) reduces the need for extranets.

D) doesn't use the Internet.

52)  \*Marketing includes each of the following activities **except**

A) manufacturing.

B) advertising.

C) packaging.

D) promotion.

53)  \_\_\_\_ are called intermediaries because they are links between products and sellers of products.

A) Service companies

B) Retailers

C) Manufacturing companies

D) Wholesalers

54)  \_\_\_\_ involves buyers who purchase items for resale or additional production

A) Consumer market

B) Retail market

C) Expanded market

D) B2B

55)  \_\_\_ is **not** part of the marketing mix.

A) Place

B) Product

C) Distribution

D) Entrepreneurship

56)  Economic conditions and the currency for a country do **not** affect

A) population trends

B) profits on a product

C) consumer demand

D) selling price for a product

57)  \_\_ causes people to believe that a higher priced item is better quality than the exact same item at a lower price.

A) Price lining

B) Psychological pricing

C) Prestige pricing

D) Penetration pricing

58)  \_\_\_\_ is a duty that a government places on imported products.

A) Tariff

B) Sanction

C) Quota

D) Restriction

59)  \_\_\_\_ occurs when the government takes control and ownership of foreign-owned assets and companies.

A) Civil unrest

B) Economic nationalism

C) Trade sanctions

D) Expropriation

60)  Some countries offer companies a \_\_\_\_, meaning the corporation does **not** pay corporate income taxes if its invests in their country.

A) tax hike

B) tax break

C) tax holiday

D) tax incentive

61)  The World Trade Organization has more than

A) 200 members.

B) 140 members.

C) 240 members.

D) 100 members.

62)  Which of the following is **not** a method for a business to get involved in international business?

A) franchising

B) indirect importing

C) licensing

D) joint venture

63)  The \_\_\_\_ allows a company to file a single patent application in which it names the countries in which it seeks patent coverage.

A) World Trade Organization

B) International Copyright Agreement

C) World Intellectual Property Organization

D) Patent Cooperation Treaty

64)  A \_\_\_ exists when a country buys more foreign goods than the number of goods they sell.

A) trade surplus

B) trade advantage

C) balance of trade

D) trade deficit

65)  Individuals who want to export products to Japan, should **not** contact the \_\_\_\_.

A) U.S. Department of Commerce International Trade Administration

B) U.S. Small Business Administration

C) Federal Trade Commission

D) U.S. Customs Service

66)  \_\_\_\_ status allows a country to export into the granting country under the lowest customs duty rates.

A) Common market

B) Free-trade zone

C) Free-trade agreement

D) Most-favored-nation status

67)  The \_\_\_ provides capital and technical assistance to businesses in nations with limited resources.

A) International Monetary Fund

B) International Finance Corporation

C) World Bank

D) International Development Association

68)  The \_\_\_ is the currency used in Japan.

A) pound

B) yuan

C) yen

D) euro

69)  Money is **not**

A) measure of value

B) store of value

C) political stability

D) a medium of exchange

70)  Travelers visiting other countries may pay more when using a credit card instead of cash or traveler’s checks because

A) interest rates on credit cards are high

B) the foreign exchange rate on credit cards is not calculated until the charges reach the credit card office

C) credit cards have annual fees

D) credit cards always charge additional handling fees

71)  A \_\_\_ is a debt certificate issued by a multinational company or another corporate enterprise.

A) over-the-counter bond

B) corporate bond

C) municipal bond

D) government bond

72)  Tax deferred investment means:

A) income earned on the investment will be taxed at a later date

B) tax breaks for foreign investors

C) no taxes charged for the income earned on the investment

D) double taxation on earnings from a foreign investment

73)  The \_\_\_\_ is a certificate that adds to or changes the coverage of an insurance policy.

A) rider

B) endorsement

C) condition

D) exclusion

74)  The annual earnings for an international investment are measured by the yield or annual:

A) depreciation

B) fluctuation

C) rate of return

D) appreciation

75)  \_\_\_\_ capital is provided by a company's owners.

A) Equity

B) Unsecured

C) Credit

D) Debt

76)  Which is **not** true about an insurable risk?

A) common to many people

B) able to calculate

C) excessive in magnitude

D) definite

77)  Governments can impose \_\_\_ against another country to protest that country's behavior.

A) fines

B) civil action

C) trade sanctions

D) penalties

78)  The \_\_\_ is a financial document issued by a bank for an importer in which the bank guarantees payment.

A) letter of credit

B) promissory note

C) bill of exchange

D) commercial invoice

79)  \_\_\_\_ capital is provided by a company’s owners.

A) Equity

B) Unsecured

C) Credit

D) Debt

80)  The \_\_\_ Stock Exchange is the largest in the world.

A) Tokyo

B) New York

C) London

D) Euronext

81)  A \_\_\_ is a debt certificate issued by a multinational company or another corporate enterprise.

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B) corporate bond

C) over-the-counter bond

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82)  The annual earnings for an international investment are measured by the yield or annual \_\_\_\_\_.

A) depreciation

B) appreciation

C) rate of return

D) fluctuation

83)  Information on the current performance and the future of stocks and bonds is **not** published in

A) *Value Line*

B) *Moody’s Investors Service*

C) *Standard and Poor’s Reports*

D) *American Bankers Association*

84)  Tax deferred investment means

A) income earned on the investment will be taxed at a later date.

B) tax breaks for foreign investors.

C) no taxes charged for the income earned on the investment.

D) double taxation on earnings from a foreign investment.

85)  Which of the following is **not** true about an insurable risk?

A) excessive in magnitude

B) able to calculate

C) common to many people

D) definite

86)  Primary components of an expatriate's compensation package can include all of the following **except**:

A) tax differentials

B) extraordinary leisure allowances

C) service premium

D) base salary

87)  The \_\_\_\_ uses natives of the parent country of a business to fill key positions at home and abroad.

A) ethnocentric approach

B) polycentric approach

C) regiocentric approach

D) geocentric approach

88)  The type of human resources approach that uses natives of the host country to manager operations within their country and parent-country natives to manage at headquarters is the:

A) geocentric approach

B) regional approach

C) polycentric approach

D) regioncentric approach

89)  Employers for multinational companies do **not** hire employees based on which one of the following?

A) adaptability

B) ethnocentrism

C) personal characteristics

D) competence

90)  Parent-country nationals do **not** fail due to which one of the following?

A) increase non-taxed salaries

B) lack of motivation to cope with new challenges

C) family not making the adjustment

D) emotional maturity

91)  Ethical Issues facing global corporations today include all of the following **except:**

A) ecosystems

B) natural disasters

C) stock dividends

D) global warming

92)  Political instability of a country may cause the number of questionable ethic transactions to

A) remain the same

B) disappear

C) decline

D) rise

93)  When a farm ships fresh vegetables to the local supermarket, \_\_\_ has occurred.

A) indirect distribution

B) direct distribution

C) exporting

D) intermediate distribution

94)  Which of the following is **not** a function of a wholesaler?

A) maintaining warehouses and shipping capabilities

B) communicating between manufacturers and retailers

C) advertising and selling to retailers to help with retailer promotions

D) selling directly to consumers

95)  The \_\_\_ brand is used worldwide and is recognized by people in many geographic areas.

A) National

B) Global

C) Private

D) Manufacturer

96)  Making, buying, and selling goods and services within a country is called

A) global dependency

B) international business

C) domestic business

D) foreign trade

97)  \_\_\_\_ includes all business activities needed to create, ship, and sell goods and services across national borders.

A) Domestic business

B) International business

C) Regional business

D) Trade intervention

98)  Which of the following is **not** a geographic condition that affects the international business environment?

A) language

B) climate

C) terrain

D) natural resources

99)  Individuals taking jobs in other parts of the world

A) should wait to receive medical vaccinations when they arrive to their final destination

B) do not have to worry about medical plagues since their company is insulated from the rest of the public

C) should count on their employers to pay for required medical procedures

D) should make sure that all medical vaccinations are up to date

100)  The resume should not include

A) experience

B) a personal picture

C) career objective

D) education

Global Business – 2016 SLC Key

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| --- | --- |
| 1) | C |
| 2) | B |
| 3) | C |
| 4) | D |
| 5) | B |
| 6) | A |
| 7) | C |
| 8) | C |
| 9) | C |
| 10) | D |
| 11) | D |
| 12) | C |
| 13) | C |
| 14) | A |
| 15) | C |
| 16) | C |
| 17) | B |
| 18) | B |
| 19) | B |
| 20) | A |
| 21) | D |
| 22) | B |
| 23) | A |
| 24) | D |
| 25) | A |
| 26) | C |
| 27) | D |
| 28) | D |
| 29) | C |
| 30) | B |
| 31) | B |
| 32) | C |
| 33) | A |
| 34) | D |
| 35) | C |
| 36) | D |
| 37) | C |
| 38) | A |
| 39) | C |
| 40) | D |
| 41) | D |
| 42) | B |
| 43) | A |
| 44) | D |
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| 47) | A |
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| 81) | B |
| 82) | C |
| 83) | D |
| 84) | A |
| 85) | A |
| 86) | B |
| 87) | A |
| 88) | C |
| 89) | B |
| 90) | A |
| 91) | C |
| 92) | D |
| 93) | B |
| 94) | D |
| 95) | B |
| 96) | C |
| 97) | B |
| 98) | A |
| 99) | D |
| 100) | B |