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| **INTERNATIONAL BUSINESS** | |
| |  |  | | --- | --- | | 1) | A trade deficit exists for a country when | |  | A) its exports equal its imports. | |  | B) its exports exceed its imports. | |  | C) its imports exceed its exports. | |  | D) its GDP is lower than the GDP of its trade partners. | |  |
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| |  |  | | --- | --- | | 2) | \_\_\_\_\_\_ is an example of a natural disaster that will have an impact on international business. | |  | A) Terrorism | |  | B) Civil unrest | |  | C) War | |  | D) Drought | |  |
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| |  |  | | --- | --- | | 3) | \_\_\_\_\_\_\_\_\_\_\_ occurs when a company sells its product for very low prices in other countries, making it nearly impossible for competitors to conduct business. | |  | A) Importing | |  | B) Exporting | |  | C) Dumping | |  | D) Low balling | |  |
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| |  |  | | --- | --- | | 4) | Span of control in an international business refers to the | |  | A) number of levels of managers within the organization. | |  | B) number of employees that a manager supervises. | |  | C) distance between levels of management in an organization. | |  | D) distance in feet between the employees and their managers. | |  |
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| |  |  | | --- | --- | | 5) | The term "patent" refers to | |  | A) an inventor's exclusive rights to a product or process. | |  | B) a company's responsibility to produce safe items. | |  | C) an author's exclusive rights to publish a work. | |  | D) a symbol used to identify a company's product. | |  |
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| |  |  | | --- | --- | | 6) | Physical distance between people varies from culture to culture. The physical distance is referred to as | |  | A) oculesics. | |  | B) haptics. | |  | C) chromatics. | |  | D) proxemics. | |  |
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| |  |  | | --- | --- | | 7) | Consumer reactions to advertising and other mass communication techniques can be tracked through | |  | A) marketing research. | |  | B) observation. | |  | C) direct communication. | |  | D) the number of magazine or newspaper subscriptions. | |  |
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| |  |  | | --- | --- | | 8) | The government makes nearly all economic decisions in a | |  | A) communist economy. | |  | B) mixed economy. | |  | C) socialist economy. | |  | D) capitalist economy. | |  |
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| |  |  | | --- | --- | | 9) | An example of an economic risk for a multinational company would be | |  | A) government regulations. | |  | B) political instability. | |  | C) family structure in a country. | |  | D) currency value. | |  |
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| |  |  | | --- | --- | | 10) | Struggling economies \_\_\_\_\_\_\_\_\_ interest rates to encourage spending on big ticket items. | |  | A) stabilize | |  | B) freeze | |  | C) lower | |  | D) raise | |  |
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| |  |  | | --- | --- | | 11) | \_\_\_\_\_\_\_\_ is when a company buys land or other resources in another country. | |  | A) A wholly owned subsidiary | |  | B) Foreign direct investment | |  | C) Join venture | |  | D) Management contracting | |  |
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| |  |  | | --- | --- | | 12) | All of the following are advantages of a company having access to a global labor pool **except** | |  | A) productivity. | |  | B) paying lower wages. | |  | C) diversity. | |  | D) innovation. | |  |

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| |  |  | | --- | --- | | 13) | Political instability of a country may result in the number of questionable ethical transactions to | |  | A) rise. | |  | B) disappear. | |  | C) remain the same. | |  | D) decline. | |  |
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| |  |  | | --- | --- | | 14) | A passport without limitations issued to a U.S. citizen who is 16 years and older is valid for \_\_\_\_ years and provides evidence of the bearer's citizenship. | |  | A) 3 | |  | B) 10 | |  | C) 15 | |  | D) 5 | |  |
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| |  |  | | --- | --- | | 15) | Individuals taking jobs in other parts of the world | |  | A) should count on their employers to pay for required medical procedures. | |  | B) do not have to worry about medical issues since their company is insulated from the rest of the public. | |  | C) should make sure that all medical vaccinations are up to date. | |  | D) should wait to receive medical vaccinations when they arrive to their final destination. | |  |

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| 2) | D |
| 3) | C |
| 4) | B |
| 5) | A |
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| 7) | A |
| 8) | A |
| 9) | D |
| 10) | C |
| 11) | B |
| 12) | B |
| 13) | A |
| 14) | B |
| 15) | C |