

Quiz #2
Chapter 11 - 19

1. Which of the following situations does *not* indicate a low need for global integration?
 - a. differentiated products
 - b. weak brand name
 - c. after-sales support services
 - d. quality differences
2. Disney has constructed theme parks in Japan, the United States, and France. This refers to Disney's _____.
 - a. distinctive competence
 - b. scope of operations
 - c. resource deployment
 - d. synergy
3. With the home replication strategy _____.
 - a. the firm utilizes the core competency of the firm or firm-specific advantage it developed in domestic markets as its main competitive weapon in the foreign market it enters
 - b. the firm views itself as a collection of relatively independent operating subsidiaries
 - c. the firm views the world as a single marketplace and has as its primary goal the creation of standardized goods and services that will address the needs of customers worldwide
 - d. the firm assigns responsibility for various organizational tasks to the unit of the organization best able to achieve the dual goals of efficiency and flexibility
4. There are many similarities between developing a strategy for competing in a single country and developing one for competing in multiple countries.
 - a. True or
 - b. False
5. Nike achieved by centering its manufacturing in countries where labor costs are relatively low.
 - a. multinational flexibility
 - b. economies of scale
 - c. location efficiencies
 - d. economies of scope
6. Which of the following is *not* one of the three steps in increasing market share, revenue, and profits?
 - a. assess alternative markets
 - b. evaluate respective costs, benefits, and risks
 - c. perform a situation analysis
 - d. select market with most potential for entry or expansion
7. Gameware recently entered the German market. Gameware incurred significant costs associated with setting up a business operation in Frankfurt, transferring managers to Germany, and shipping equipment to the German facility. Gameware's expenses are best described as _____.
 - a. opportunity costs

- b. setup costs
 - c. direct costs
 - d. indirect costs
8. Which of the following is an advantage of exporting?
- a. vulnerability to tariffs
 - b. logistical complexities
 - c. potential conflicts with distributors
 - d. access to new markets
9. The firm that leases the right to use intellectual property is called the__.
- a. Lessor
 - b. Licensor
 - c. Licensee
 - d. Franchisee
10. When two or more firms agree to work together and create a joint owned firm to promote mutual interest,___has occurred.
- a. an acquisition
 - b. a joint venture
 - c. a licensing agreement
 - d. a franchise agreement
11. Kodak focuses on developing photo editing software, and the firm has agreements with a Chinese manufacturer to assemble most Kodak cameras. Which entry mode for international business is used by Kodak?
- a. management contracting
 - b. international franchising
 - c. contract manufacturing
 - d. international licensing
12. How was General Mills able to gain 25 percent of the European cereal market?
- a. selling organic products
 - b. sharing facilities with Kellogg
 - c. marketing its products online
 - d. forming a joint venture with Nestle
13. Avia Battery and Simon Battery both manufacture batteries in a shared facility. The two firms have most likely established a(n)_____alliance.
- a. Production
 - b. Marketing
 - c. Financial
 - d. R&D
14. Comprehensive alliances are usually organized as non-joint venture strategic alliances.
- a. True or
 - b. False
15. Which of the following factors is the most relevant to a firm in the process of selecting a partner for a strategic alliance?
- a. partner's wage scale for employees
 - b. partner's use of e-commerce
 - c. nature of potential partner's products

- d. learning potential of the consumer
- 16. What has been the primary problem associated with the joint venture between VW and Suzuki?
 - a. conflicts over earnings distributions
 - b. partner incompatibility
 - c. competing goals
 - d. unclear objectives
- 17. _____ is the overall pattern of structural components and configurations used to manage the total organization.
 - a. Organizational design
 - b. Functional design
 - c. Management
 - d. Strategy
- 18. The _____ takes responsibility for overseeing international operations, marketing products, processing orders, working with foreign distributors, and arranging financing when necessary.
 - a. corollary approach
 - b. export department
 - c. international division
 - d. global product design
- 19. Which design is the most common form of organizational design adopted by MNCs?
 - a. global area design
 - b. global product design
 - c. global functional design
 - d. global matrix design
- 20. Which term refers to the process of linking and integrating functions and activities of different groups, units, or divisions?
 - a. Decentralization
 - b. Coordination
 - c. Subsidizing
 - d. Channeling
- 21. Which element of performance is relatively easy to measure?
 - a. worker productivity
 - b. advertising effectiveness
 - c. ethical managerial conduct
 - d. employee motivation
- 22. Which term refers to the relatively stable set of psychological attributes that distinguishes one individual from another?
 - a. Personality
 - b. Attitude
 - c. Perception
 - d. Ethics
- 23. _____ is a useful predictor of managerial performance in China.
 - a. Extroversion
 - b. Emotional stability
 - c. Openness

- d. Agreeableness
24. _____ is the extent to which an individual believes that power and status differences are appropriate within hierarchical social systems like business organizations.
- a. Locus of control
 - b. Self-efficacy
 - c. Authoritarianism
 - d. Conscientiousness
25. When a task is vague, ambiguous, or unstructured a(n) _____ team is more likely to thrive.
- a. power respecting
 - b. individualistic
 - c. uncertainty avoiding
 - d. uncertainty accepting
26. According to research, managers in _____ have the highest tendency to believe that they should be experts and should know the answers to all questions raised by subordinates.
- a. Italy
 - b. Japan
 - c. Germany
 - d. Great Britain
27. Which element of the marketing mix includes the development of the tangible and intangible features that meet customer needs in diverse markets?
- a. Product
 - b. Pricing
 - c. Promotion
 - d. Place
28. Firms that view themselves as multidomestic are more likely to adopt a(n) _____ approach to international marketing.
- a. Ethnocentric
 - b. Polycentric
 - c. Geocentric
 - d. Transnational
29. Origin Outfitters uses a geocentric approach to international marketing. Which pricing policy does Origin Outfitters most likely use?
- a. Standard
 - b. two-tiered
 - c. market
 - d. global
30. Which of the following is an advantage of using personal selling in international marketing?
- a. low-cost market entry strategy
 - b. access to local market information
 - c. standardization of promotion mix
 - d. enhancement of firm's reputation
31. _____ is when a firm is dealing directly with the customer.
- a. Channel sales
 - b. Import agenting

- c. Direct sales
 - d. Indirect sales
32. A(n)___ is a methodology created by a firm to gather, assemble, and provide data in a form or forms useful to managers.
- a. TQM program
 - b. information system
 - c. benchmarking plan
 - d. statistical process control
33. _____ is an economic measure of efficiency that summarizes the value of outputs relative to the value of the inputs used to create the outputs.
- a. GNP
 - b. Productivity
 - c. Turnover ratio
 - d. Return on investment
34. Heineken NV buys grains, labels, bottles, and cartons from other suppliers prior to brewing and bottling its beer. This suggests that Heineken has little_____.
- a. supply chain management
 - b. horizontal integration
 - c. vertical integration
 - d. cross-ownership
35. If the firm uses a customized approach to each market, its operations management should be globally integrated.
- a. True or
 - b. False
36. _____ is the set of activities an organization uses to transform different kinds of inputs into final goods and services.
- a. Global distribution
 - b. International marketing
 - c. Operations management
 - d. Organizational design
37. Which currency is used most often for transactions involving commercial aircraft?
- a. U.S. dollars
 - b. Euros
 - c. Japanese yen
 - d. Swiss francs
38. Major exporting countries typically invoice foreign customers in_____.
- a. U.S. dollars
 - b. Japanese yen
 - c. its home currency
 - d. the foreign customer's currency
39. Thompson Exporters, a new exporting firm, provides a 5 percent discount to customers who use the safest method of payment. Which method of payment most likely receives this discount?
- a. payment in advance
 - b. open account
 - c. letter of credit

- d. countertrade
- 40. The purchase of goods, services, or assets denominated in a foreign currency most likely leads to_.
 - a. exchange rate risk
 - b. translation exposure
 - c. transaction exposure
 - d. currency conversion risk
- 41. The minimum rate of return the firm finds acceptable for its capital investments is called the___.
 - a. hurdle rate
 - b. internal rate of return
 - c. return on investment
 - d. saturation rate
- 42. _____ is the set of activities directed at attracting, developing, and maintaining the effective workforce necessary to achieve a firm's objectives.
 - a. Labor selection
 - b. Employee development
 - c. Human resource management
 - d. Strategic operations implementation
- 43. _____ are employees who are not citizens of the firm's home country or of the host country.
 - a. Parent country nationals
 - b. Locals
 - c. Third country nationals
 - d. Expatriates
- 44. Firms using a geocentric staffing model are primarily concerned with_.
 - a. ensuring that home office views and policies are maintained
 - b. gaining support and assistance from local communities
 - c. hiring the best person available regardless of nationality
 - d. employing local managers with technical expertise
- 45. John has been transferred to an office in Japan for a year. In his first few weeks, he began to feel confused and rejected as well as a sort of mourning for home. John is experiencing_.
 - a. expatriate failure
 - b. repatriation
 - c. acculturation
 - d. culture shock
- 46. Which of the following is a EU policy that promotes common job-related benefits and working conditions throughout the European Union?
 - a. fixed alliance
 - b. social charter
 - c. statutory law
 - d. codetermination
- 47. Labor complaints heard by arbitration committees in China have declined significantly since 2000 because of increased wages and improved working conditions.

- a. True or
 - b. False
48. Carver Foods is an MNE that sells baby food around the world. What product component will most likely be standardized by Carver in all foreign markets?
- a. Labeling
 - b. Ingredients
 - c. brand name
 - d. container size
49. Which of the following occurs when products are imported into a country legally but outside the normal channels of distribution authorized by the manufacturer?
- a. gray market
 - b. parallel exporting
 - c. black market
 - d. price gouging
50. _____ is general education concerned with preparing managers for new assignments and/or higher-level positions.
- a. Training
 - b. Development
 - c. Screening
 - d. Practicing