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| *Indicate the answer choice that best completes the statement or answers the question.* |

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| 1. Vertiaplume, a drug manufacturing company, exports its products to more than 15 countries around the world. Regardless of reduced sales in one of these countries, Vertiaplume is able to maintain its overall profits. In the given scenario, which of the following is a reason behind Vertiaplume's ability to maintain its overall profits? |
| 2. Unless they face major trade barriers, the industries in any country tend to produce products for which they have a \_\_\_\_\_, which means that they tend to turn out those goods that have the lowest opportunity cost compared to other countries. |
| 3. Luchen Modo, a software development firm in Asia, launched a new software for smartphones that allowed users to remotely control certain functions and features of their vehicles, such as ignition, windshields, and headlights. The success of this technology prompted other companies across the world to produce similar software. In this scenario, which of the following is most likely to have influenced other companies to produce similar software? |
| 4. In the context of global trade, which of the following statements is true of balance of payments? |
| 5. Wichasha, an African country, exports barley and cotton worth $100 million to Illema, a European country, and it imports sugarcane worth $25 million from Illema. As such, the total value of Wichasha's exports is higher than the total value of its imports. This difference between the value of Wichasha's exports and imports is known as \_\_\_\_\_. |
| 6. Consider an exchange rate situation in which 1 Indian rupee equals 0.40 Japanese yen. Given this information, which of the following statements is true? |
| 7. CuberTech, an American electronics company, set up its production facilities in Chuaga, an Asian country, because the workers in Chuaga work for about one-third the pay of American workers. This substantially lowered CuberTech's cost of production. This scenario is an example of \_\_\_\_\_. |
| 8. A \_\_\_\_\_ is formed when two or more companies share resources, risks, and profits without actually merging, to pursue specific opportunities. |
| 9. In the context of the strategies for reaching global markets, which of the following is a key risk of foreign outsourcing? |
| 10. In the context of foreign direct investment, a \_\_\_\_\_ is a voluntary agreement under which two or more people act as co-owners of a business for profit. |
| 11. Uniesia, an Asian company, wants to set up a production facility in Maurinia, an African country, because of the low labor costs in the country. However, Uniesia is unable to do so because of the situation of constant civil unrest in Maurinia. In the given scenario, Uniesia is most likely facing the barrier of \_\_\_\_\_. |
| 12. In the context of international trade, which of the following companies is facing the barrier of legal differences? |
| 13. In the context of barriers to international trade, \_\_\_\_\_ include differences among countries in language, attitudes, and values. |
| 14. \_\_\_\_\_ refers to national policies designed to restrict international trade, usually with the goal of protecting domestic businesses. |
| 15. To achieve its basic mission of promoting international economic cooperation and stable growth, the International Monetary Fund (IMF): |