

Question 1

When examining economic and demographic variables to compare countries' sales potential for your product, you should also consider all the following EXCEPT which one?

- A) If countries depend heavily on the import of raw materials, what is the price of elasticity for the demand?
- B) Consumers in some countries may more conveniently substitute certain products than consumers in some other countries.
- C) Consumers in developing countries may leapfrog technologies by first purchasing the latest products.
- D) Trading blocs may enhance sales potential above what is indicated in individual country figures.

Answer: <https://biology-forums.com/index.php?topic=573687>

Question 2

Thomas is planning a vacation to Country X. On a tourism Web site, he reads that the government of Country X limits the amount of money a tourist may convert into the country's currency. Country X most likely uses which of the following?

- A) import deposit requirements
- B) multiple exchange rates
- C) import licensing
- D) quantity controls

Answer: <https://biology-forums.com/index.php?topic=573280>

Question 3

Historically, the most important criterion in selecting individuals for posting to an expatriate slot has been _____.

- A) foreign language abilities
- B) technical competence
- C) leadership skills
- D) flexibility

Answer: <https://biology-forums.com/index.php?topic=574428>

Question 4

When a company's primary motive for entering a collaborative arrangement is to learn from its partner, it is likely to _____.

- A) leave control to its partner
- B) "go it alone" after it has learned what it needs to know
- C) have disagreements with the partner over quality issues
- D) prefer the arrangement to be a licensing agreement

Answer: <https://biology-forums.com/index.php?topic=573927>

Question 5

Escalation of commitment is best described as the _____.

- A) strategy of first entering a country on a small scale
- B) process of entering a country because "everyone else is going there"
- C) expectation of a higher return in more politically risky environments
- D) increased likelihood of investing in a country because of having spent considerable time and money in examining it

Answer: <https://biology-forums.com/index.php?topic=573683>

Question 6

What types of payments are legal and illegal under the Foreign Corrupt Practices Act (FCPA) of the United States? Provide an example.

Answer: <https://biology-forums.com/index.php?topic=573558>

Question 7

What issues complicate international economic analysis?

Answer: <https://biology-forums.com/index.php?topic=572824>

Question 8

When different companies produce the same commodity, their costs are essentially the same.

Answer: <https://biology-forums.com/index.php?topic=573641>

Question 9

A widely successful strategy for introducing change into a foreign country is to introduce many changes simultaneously.

Answer: <https://biology-forums.com/index.php?topic=572614>

Question 10

Kevin, marketing manager of the North American Bowling League, has decided to televise major bowling competitions to viewers in multiple countries rather than only in Canada and the U.S. Which of the following goals would this most likely help Kevin accomplish?

- A) acquiring new resources
- B) minimizing corporate risks
- C) increasing sales and profits
- D) obtaining competitive advantages

Answer: <https://biology-forums.com/index.php?topic=572457>

Question 11

The view that regionalization, rather than globalization, will prevail in the future is largely based on the use of common languages among countries in a region.

Answer: <https://biology-forums.com/index.php?topic=572513>

Question 12

We now have technology to allow people to communicate globally without traveling as much. Leading researchers on urbanization and planning suggest that the most likely consequence of this is _____.

- A) a decrease in international airline travel
- B) a decreased need for immigration restrictions
- C) a smaller number of retirees living in urban areas
- D) a greater number of self-motivated workers e-mailing and teleconferencing with colleagues

Answer: <https://biology-forums.com/index.php?topic=573730>

Question 13

An exchange rate is the number of units that buys one unit of another currency.

Answer: <https://biology-forums.com/index.php?topic=573209>

Question 14

The origin of investment proposals differs from the origin of divestment proposals in that the divestment proposals are more likely to come from _____.

- A) subsidiary management
- B) outside the organization
- C) higher up in the organization
- D) line personnel as opposed to staff personnel

Answer: <https://biology-forums.com/index.php?topic=573723>

Question 15

In a _____ economy, certain sectors of the economy are left to private ownership and free market mechanisms, while other sectors have significant state ownership and government planning.

- A) state-directed
- B) market
- C) command
- D) mixed

Answer: <https://biology-forums.com/index.php?topic=572745>

Question 16

Japanese companies are more likely to use sales as a measure of performance evaluation of foreign operations than income-based measures.

Answer: <https://biology-forums.com/index.php?topic=574371>

Question 17

According to the research described in your text, which of the following is among the factors that would increase a firm's probability of exporting?

- A) low domestic productivity
- B) high domestic labor costs
- C) high level of operational efficiency
- D) high R & D demands

Answer: <https://biology-forums.com/index.php?topic=573794>

Question 18

An economic system is the set of structures and processes that _____ in a country.

- A) guides the allocation of resources and shapes the conduct of business activities
- B) directs the movement of specific products to specific consumers
- C) sets the standards of competitive success for companies in the economy
- D) stipulates the roles and responsibilities of consumers

Answer: <https://biology-forums.com/index.php?topic=572776>

Question 19

Developing countries have sometimes adopted policies to shift people out of agriculture and into industry by protecting manufactured production. One of the problems they have encountered is that _____.

- A) people have been too reluctant to leave rural areas to go to the cities
- B) food shortages have increased in rural areas because of worker shortages
- C) demand for social and political services has increased excessively in the cities
- D) developed countries have retaliated with protection of products from the developing countries

Answer: <https://biology-forums.com/index.php?topic=572946>

Question 20

Tax-haven subsidiaries categorically referred to as International Offshore Financial Centers, have the following characteristics EXCEPT _____.

- A) A low tax on foreign investment or sales income earned by resident corporations and a low dividend withholding tax on dividends paid to the parent firm.
- B) A stable currency to permit easy conversion of funds into and out of the local currency. This requirement can be met by permitting and facilitating the use of Eurocurrencies.
- C) A stable government that encourages the establishment of foreign-owned financial and service facilities within its borders.
- D) All of the above are tax-haven subsidiary characteristics.

Answer: <https://biology-forums.com/index.php?topic=573411>

Question 21

A current sourcing dilemma that some companies face is whether or not they should _____.

- A) use outsourcing as a reward to underperforming employees
- B) make critical components for which they have competencies
- C) outsource innovative processes
- D) measure supplier performance

Answer: <https://biology-forums.com/index.php?topic=574240>

Question 22

What are the current trends in expatriate allowances? What are the reasons for these changes?

Answer: <https://biology-forums.com/index.php?topic=574516>

Question 23

Raj, an engineer, works long hours and takes full responsibility for both his good and bad work performance. Raj most likely believes in _____.

- A) self-determination
- B) low power distance
- C) collectivism
- D) fatalism

Answer: <https://biology-forums.com/index.php?topic=572558>

Question 24

The free trade theories of specialization primarily assume that _____.

- A) domestic resources are unable to move from the production of one good to another
- B) countries have objectives other than economic efficiency
- C) specialization triggers unemployment
- D) resources are immobile internationally

Answer: <https://biology-forums.com/index.php?topic=572845>

Question 25

Diversity of international markets and currency instability have the greatest effect on _____.

- A) promotion
- B) R&D
- C) branding
- D) pricing

Answer: <https://biology-forums.com/index.php?topic=574119>

Question 26

Most trade groups contain countries in the same area of the world, even though neighboring countries usually lack a common history and interests.

Answer: <https://biology-forums.com/index.php?topic=573102>

Question 27

Which of the following is most likely to occur when a firm segments markets by country?

- A) achieving objectives by following a sales orientation strategy within that market
- B) initially targeting the high-income consumers within that market
- C) overlooking similarities between different countries
- D) introducing multiple products to assess demand

Answer: <https://biology-forums.com/index.php?topic=574091>

Question 28

All of the following would be examples of international joint ventures EXCEPT _____.

- A) two Japanese companies sharing ownership of a company in Canada
- B) a Danish company sharing ownership with a South African company in South Africa
- C) a government-owned company from China sharing ownership with an Australian company in Panama
- D) two Venezuelan companies sharing ownership of a company in Venezuela

Answer: <https://biology-forums.com/index.php?topic=573922>

Question 29

A matrix organization is a hybrid of the functional and geographic organizations.

Answer: <https://biology-forums.com/index.php?topic=574051>

Question 30

The process of shifting production from a domestic to a foreign location is best known as _____.

- A) offshoring
- B) outsourcing
- C) licensing
- D) joint venturing

Answer: <https://biology-forums.com/index.php?topic=572452>

Question 31

Terms of trade refers to _____.

- A) the quantity of imports that a given quantity of a country's exports can buy
- B) specific requirements placed on imports and exports at the port of entry or exit
- C) requirements agreed upon by two countries to regulate bilateral trade
- D) an account statement showing a country's annual imports and exports

Answer: <https://biology-forums.com/index.php?topic=572947>

Question 32

The existence of the four favorable conditions of the diamond of national advantage does not guarantee that an industry will develop in a given locale.

Answer: <https://biology-forums.com/index.php?topic=572909>

Question 33

In a short essay, discuss purchasing power parity and the short-run problems that affect PPP.

Answer: <https://biology-forums.com/index.php?topic=573345>

Question 34

An irrevocable letter of credit is the basis for multilateral netting.

Answer: <https://biology-forums.com/index.php?topic=573229>

Question 35

Craig, a manager at a global firm, is studying the cyclical nature of growth and employment as a part of the process to forecast exchange rates. Which factor is Craig most likely monitoring?

- A) the institutional setting

- B) fundamental analyses
- C) cultural analyses
- D) circumstances

Answer: <https://biology-forums.com/index.php?topic=573301>

Question 36

Financial statements typically include _____.

- A) accompanying footnotes, a balance sheet, and a cash-flow statement
- B) translations into the languages of every country where the company lists shares
- C) different currency results to reflect the different countries where the company has investments or generates revenues
- D) different reports detailing the differences in generally accepted accounting principles used by the company in different countries

Answer: <https://biology-forums.com/index.php?topic=574314>

Question 37

A culture in which people prefer to finish one task before starting another is most accurately characterized as which of the following?

- A) low-context
- B) monochronic
- C) pragmatic
- D) high power-distance

Answer: <https://biology-forums.com/index.php?topic=572560>

Question 38

In a command economy, the goods and services that a country produces, the quantity in which they are produced, and the prices at which they are sold are all planned by the government.

Answer: <https://biology-forums.com/index.php?topic=572806>

Question 39

When recording the value of a purchase denominated in a foreign currency, the company is required to use the spot rate when payment is made, as long as it is made 30 days or more in the future.

Answer: <https://biology-forums.com/index.php?topic=574366>

Question 40

The standard-setting organization tasked with the challenge of determining one set of accounting standards that can be used worldwide is the _____.

- A) Global Financial Accounting Standards Board
- B) International Organization of Securities Commissions
- C) International Financial Reporting Committee
- D) International Accounting Standards Board

Answer: <https://biology-forums.com/index.php?topic=574320>

Question 41

In a short essay, discuss the theory of mercantilism, and discuss favorable and unfavorable balances of trade as they apply to international business.

Answer: <https://biology-forums.com/index.php?topic=572919>

Question 42

A system of _____ law sets the framework for the system of government and defines the authority and procedure of political bodies to establish laws and regulations.

- A) criminal
- B) constitutional
- C) civil
- D) commercial

Answer: <https://biology-forums.com/index.php?topic=572660>

Question 43

The value of the SDR is currently based on the _____.

- A) euro
- B) U.S. dollar
- C) weighted average of four currencies
- D) weighted average of six currencies

Answer: <https://biology-forums.com/index.php?topic=573254>

Question 44

Which of the following best explains Blockbuster's failed expansion into Germany?

- A) laws limiting hours of operation
- B) lack of public interest in films
- C) inadequate tax incentives
- D) communication problems

Answer: <https://biology-forums.com/index.php?topic=573701>

Question 45

Assume that a U.S.-based MNE has operations in Germany and that the revenues and expenses are mostly incurred in Euros. Which translation method is the MNE most likely to use?

- A) current-rate method
- B) temporal method
- C) translate-restate method
- D) consolidation method

Answer: <https://biology-forums.com/index.php?topic=574331>

Question 46

Gaining some understanding of international business is important for any business student because global events and competition affect almost all companies.

Answer: <https://biology-forums.com/index.php?topic=572485>

Question 47

Which of the following is a difference between export management companies (EMCs) and export trading companies (ETCs)?

- A) ETCs deal with both exports and imports, while EMCs deal only with exports.
- B) ETCs are subject to antitrust laws, while EMCs are not.
- C) ETCs typically carry inventory, while EMCs typically do not.
- D) ETCs operate more on the basis of demand, while EMCs operate more on the basis of supply.

Answer: <https://biology-forums.com/index.php?topic=573818>

Question 48

What is the primary reason for technology licensing to take place while a product is still in the developmental stage?

- A) to enable the licensor to receive some earnings in case the technology never becomes operative
- B) to ensure that a product launches in various countries at about the same time
- C) to gain funds to complete the development
- D) to reduce transaction costs

Answer: <https://biology-forums.com/index.php?topic=573904>

Question 49

What is the primary reason that Anglo American PLC developed its ART program?

- A) comply with government standards
- B) maintain a healthy workforce
- C) abide by union demands
- D) reduce employee benefits

Answer: <https://biology-forums.com/index.php?topic=573521>

Question 50

According to EIU research, 37% of the world's populations live in full democracies.

Answer: <https://biology-forums.com/index.php?topic=572699>

Question 51

Matt manages the sales unit at Global Electronics but has no control over input costs. The primary purpose of the sales division is to sell goods produced by another division at Global Enterprises. What is the most appropriate performance evaluation measure for Matt's division?

- A) market share
- B) profitability
- C) net income as a percentage of sales
- D) inventory costs as a percentage of sales

Answer: <https://biology-forums.com/index.php?topic=574334>

Question 52

Supporters of globalization assert that the process helps countries strengthen their sovereignty.

Answer: <https://biology-forums.com/index.php?topic=572498>

Question 53

The more a company engages in international collaborative arrangements as opposed to wholly owned foreign operations, the more it is likely to _____.

- A) decrease its exposure to political risk
- B) increase its control over foreign operations
- C) learn rapidly about foreign environments
- D) protect its core assets

Answer: <https://biology-forums.com/index.php?topic=573896>

Question 54

What is culture shock? How can an international employer help prevent culture shock and improve the success of expatriates?

Answer: <https://biology-forums.com/index.php?topic=572625>

Question 55

When income inequality is high in a specific country, the per capita GDP figures are more meaningful.

Answer: <https://biology-forums.com/index.php?topic=573763>

Question 56

What is a black market? Under what conditions might one exist?

Answer: <https://biology-forums.com/index.php?topic=573344>

Question 57

As a trading currency, the euro is _____.

- A) more widely traded than the U.S. dollar in seven of the top ten currency markets in the world
- B) widely traded in London but not in any other major foreign-exchange markets in the world
- C) becoming more popular than the U.S. dollar because of its global acceptance
- D) gaining ground against the U.S. dollar in Eastern European countries

Answer: <https://biology-forums.com/index.php?topic=573170>

Question 58

In a brief essay, discuss how decentralized management and organizational culture affect Johnson & Johnson.

Answer: <https://biology-forums.com/index.php?topic=574073>

Question 59

Describe the pressures for local responsiveness that international companies face.

Answer: <https://biology-forums.com/index.php?topic=573670>

Question 60

Hong Kong is one of the top four largest markets in the world in foreign-exchange trades and the largest in Asia.

Answer: <https://biology-forums.com/index.php?topic=573218>

Question 61

Which of the following best explains why Burger King has developed such a strong presence in many of the small countries of Latin America and the Caribbean?

- A) These business environments allowed Burger King to take advantage of economies of scale.
- B) These countries are close to a Burger King's headquarters.
- C) These countries offered greater mobility of funds than countries in the European Union.
- D) Unlike the BRIC countries, these business environments did not require escalation of commitment.

Answer: <https://biology-forums.com/index.php?topic=573734>

Question 62

Watson Electronics, an MNE based in Canada, tends to follow an ethnocentric staffing model. From which group will it most likely hire for upper-level

management positions in its new facility in Germany?

- A) home-country nationals
- B) third-country nationals
- C) host-country nationals
- D) local citizens

Answer: <https://biology-forums.com/index.php?topic=574414>

Question 63

If Toranaga-san, who works for a Japanese trading company that operates in Japanese yen, wanted to purchase Spanish castanets from a company in Barcelona and needed Euros to complete the transaction, he would use the _____ to gain access to spot Euros.

- A) stock market
- B) foreign-exchange market
- C) New York Stock Exchange
- D) international export market

Answer: <https://biology-forums.com/index.php?topic=573155>

Question 64

Why is geography important to most regional trade agreements? Provide examples of RTAs to illustrate your answer.

Answer: <https://biology-forums.com/index.php?topic=573134>

Question 65

There are several reasons for a company to sell products abroad at either below cost or below the price in the home country. Which of the following is one of these reasons?

- A) encouraging foreign consumers to try new products
- B) improving the exporting country's terms of trade
- C) gaining imports that are sold below cost
- D) following import substitution objectives

Answer: <https://biology-forums.com/index.php?topic=572961>

Question 66

Coca-Cola has collaborative arrangements whereby it produces concentrate that it sells to other companies to bottle its drinks. Which of the following terms best describes this type of arrangement?

- A) vertical alliance
- B) horizontal alliance
- C) link alliance
- D) scale alliance

Answer: <https://biology-forums.com/index.php?topic=573893>

Question 67

In what is known as direct exporting, the exporter sells goods directly to or through an independent domestic intermediary in the exporter's home country that then exports the products to foreign markets.

Answer: <https://biology-forums.com/index.php?topic=573857>

Question 68

Some companies that opt for the cost leadership strategy plan to sell products below the average industry prices in order to capture market share.

Answer: <https://biology-forums.com/index.php?topic=573640>

Question 69

What is the difference between individualism and collectivism? What is the relationship between government and business under each orientation?

Answer: <https://biology-forums.com/index.php?topic=572717>

Question 70

In a brief essay, describe the political and legal systems in China and their effect on MNEs doing business in China.

Answer: <https://biology-forums.com/index.php?topic=572723>

Question 71

Before the strong emphasis on zero defects, U.S. companies operated under the premise of _____, which allowed a level of poor quality with the assumption that service warranties and repair facilities would deal with product defects.

- A) Six Sigma

- B) acceptable quality level
- C) just-in-time inventory management (JIT)
- D) ISO 9000

Answer: <https://biology-forums.com/index.php?topic=574224>

Question 72

Which of the following is NOT one of the three main reasons affecting international business for governments to cooperate with each other?

- A) to attack problems jointly that one country acting alone cannot solve
- B) to deal with issues that lie outside the territory of any nation
- C) to gain reciprocal advantages
- D) to establish a common language

Answer: <https://biology-forums.com/index.php?topic=572444>

Question 73

This spring break you are planning to leave the U.S. and visit London, where you will stay in a hotel for 10 days. The London hotel will be performing a(n) _____.

- A) indirect merchandise export
- B) merchandise export
- C) service export
- D) service import

Answer: <https://biology-forums.com/index.php?topic=573784>

Question 74

Gavin Pharmaceuticals is a U.S.-based MNE. Which of the following is probably Gavin's most important metric when evaluating the firm's performance?

- A) foreign sales
- B) market share
- C) return on investment
- D) sales revenue budget

Answer: <https://biology-forums.com/index.php?topic=574335>

Question 75

How does a nation's legal environment affect an MNE's marketplace behavior, especially when the rule of man prevails?

Answer: <https://biology-forums.com/index.php?topic=572725>

Question 76

The pound-dollar forward rate for pounds is \$1.9068, and the spot rate is \$1.9100. Pounds are selling at a _____.

- A) discounted premium
- B) backward discount
- C) forward discount
- D) forward premium

Answer: <https://biology-forums.com/index.php?topic=573182>

Question 77

The ethnocentric and polycentric staffing policies, unlike the geocentric staffing policy, rely on extensive use of expatriate managers.

Answer: <https://biology-forums.com/index.php?topic=574462>

Question 78

Which of the following is the most likely benefit of a network structure?

- A) encouraging competition among members for resources
- B) facilitating supplier changes anywhere in the value chain
- C) developing core competencies in a broad range of value activities
- D) maintaining a strong sense of organization in the face of dynamic partnerships

Answer: <https://biology-forums.com/index.php?topic=574015>

Question 79

All of the following are true about the Internet and electronic commerce EXCEPT which one?

- A) Suppliers can deal more quickly with their customers.
- B) It enhances companies' ability to differentiate their marketing methods by country.

- C) Customers worldwide can quickly compare prices from different distributors.
D) To be successful, companies must be able to deliver efficiently what they sell over the Internet.

Answer: <https://biology-forums.com/index.php?topic=574145>

Question 80

Electronic data interchange (EDI) is an online collaboration model that brings manufacturers, distributors, value-added retailers, and customers together to execute trading transactions.

Answer: <https://biology-forums.com/index.php?topic=574265>

Question 81

Jordan, a manager at an MNE, is responsible for supervising the transportation and storage of materials and final goods. Jordan is most likely a manager involved with _____.

- A) quality control
B) offshoring
C) logistics
D) inventory management

Answer: <https://biology-forums.com/index.php?topic=574197>

Question 82

A culture with a preference for a problem-solving style that first settles principles is a pragmatic culture.

Answer: <https://biology-forums.com/index.php?topic=572608>

Question 83

Which of the following best explains recent governmental relaxation of restrictions on cross-border trade or resource movements?

- A) Most countries face shortages of workers, so they seek immigrants who can help them produce more.
B) Governments believe that this will decrease the need to make their own companies more innovative.
C) Consumers increasingly want to buy goods and services produced in their own countries, making restrictions less necessary.
D) Governments believe that domestic producers will become more efficient as a result of foreign competition.

Answer: <https://biology-forums.com/index.php?topic=572439>

Question 84

In a short essay, discuss the four stages of the international product life cycle.

Answer: <https://biology-forums.com/index.php?topic=572925>

Question 85

If the real interest rate is 5%, the rate of inflation in the United States is 6%, and the rate of inflation in the United Kingdom is 3%, which of the following statements would NOT be true?

- A) The nominal rate of interest in the U.S. would be greater than the nominal interest rate in the U.K.
B) The difference between the U.K. and U.S. interest rates is a function of the difference between their inflation rates.
C) The nominal rate of interest in the United States and the United Kingdom would be the same because of purchasing power parity.
D) Investors would get a higher return on their money in the United States.

Answer: <https://biology-forums.com/index.php?topic=573291>

Question 86

It is difficult to compare globalization of business over time because shifting national borders have changed the nature of transactions from domestic to international and vice versa.

Answer: <https://biology-forums.com/index.php?topic=572487>

Question 87

In the text, Costa Rica devised a strategic trade policy to accomplish what goals?

- A) attract industries that promised high growth and higher wages
B) develop and grow local industries to keep capital in Costa Rica
C) attract industries that were "green" and produced sustainable products
D) attract companies that were acceptable to the U.S.

Answer: <https://biology-forums.com/index.php?topic=572828>

Question 88

Cost-minimization strategies force MNEs to establish economies of scale in manufacturing.

Answer: <https://biology-forums.com/index.php?topic=574257>

Question 89

Translation of foreign currency financial statements is the process of restating foreign currency financial statements from one currency into another.
Answer: <https://biology-forums.com/index.php?topic=574367>

Question 90

MNCs can cross-list their common stocks on multiple stock exchanges.
Answer: <https://biology-forums.com/index.php?topic=573440>

Question 91

Under the _____ form of totalitarianism, the regime confines itself to political control of the state. It does not regulate the economic and social structure of society.
A) fascist
B) communist
C) theocratic
D) authoritarian
Answer: <https://biology-forums.com/index.php?topic=572645>

Question 92

All of the following are arguments for permitting foreign control of key industries EXCEPT which one?
A) Managers, whether in a foreign or local company, make decisions based on what they think is best for the company rather than based on some local socio-economic agenda.
B) MNEs staff their organizations abroad mainly with local nationals and depend in part on their input for making decisions.
C) Foreign governments can no longer use their home-based companies to influence policies abroad.
D) The security arguments for restrictions on foreign ownership are really just a sham to protect politically powerful industries and employment.
Answer: <https://biology-forums.com/index.php?topic=573899>

Question 93

Centralized manufacturing is most widely used when customers have widely varying localized needs.
Answer: <https://biology-forums.com/index.php?topic=574261>

Question 94

The goal of a _____ is to abolish all tariffs among member countries.
A) customs union
B) common market
C) free trade agreement
D) common internal tariff
Answer: <https://biology-forums.com/index.php?topic=573050>

Question 95

Factor mobility refers to the movement of which of the following combinations?
A) capital, technology and people
B) currency, profits and raw materials
C) labor, capital and management
D) trade, profits and materials
Answer: <https://biology-forums.com/index.php?topic=572827>

Question 96

What challenges are created by selling internationally through the Internet? How does e-commerce affect pricing?
Answer: <https://biology-forums.com/index.php?topic=574192>

Question 97

When no single company has control over a collaborative arrangement, _____.
A) the operation may lack direction
B) none of the partners is responsible for legal violations
C) differences in corporate culture are likely to grow
D) one partner's interests are likely to be put ahead of the other partner's interests
Answer: <https://biology-forums.com/index.php?topic=573926>

Question 98

Businesspeople seeking to understand more about another culture in order to successfully conduct business within that culture would be best advised to do which of the following?

- A) observe the behavior of people who have gained respect within that cultural environment
- B) rely on stereotypes, which are based on averages, to gain an understanding of the culture
- C) avoid cultural research studies because they perpetuate unjustified stereotypes and behaviors
- D) memorize the cultural variations that are typically encountered in a specific cultural environment

Answer: <https://biology-forums.com/index.php?topic=572529>

Question 99

Gap analysis can be used by companies to gain synergy among countries. Which of the following is a benefit of this synergy?

- A) It allows companies to determine the allocation of marketing budgets among countries.
- B) It can be used to prevent sales via the gray market.
- C) By seeing the combined market potential among several countries, companies can determine whether there is sufficient demand to justify new product development costs.
- D) By analyzing the distribution gap, companies can better determine whether to handle other companies' imported products along with their own.

Answer: <https://biology-forums.com/index.php?topic=574149>

Question 100

Protectionism will most likely affect which aspect of a company's operations?

- A) selecting employees
- B) investing short-term capital
- C) acquiring foreign supplies
- D) relocating personnel overseas

Answer: <https://biology-forums.com/index.php?topic=572928>

Question 101

Which of the following should an MNE most likely consider in a make-or-buy decision?

- A) organizational hierarchy
- B) supplier capabilities
- C) employee morale
- D) niche markets

Answer: <https://biology-forums.com/index.php?topic=574239>

Question 102

What is state capitalism? Why do you think state capitalism is becoming increasingly popular around the world?

Answer: <https://biology-forums.com/index.php?topic=572822>

Question 103

The recent global credit crisis has interrupted the trend of national economies _____.

- A) rapidly adopting the command market model
- B) steadily adopting the free market model
- C) moving from the mixed to the command model
- D) turning away from the mixed model

Answer: <https://biology-forums.com/index.php?topic=572733>

Question 104

Companies use the foreign-exchange market to convert money for use in financial transactions.

Answer: <https://biology-forums.com/index.php?topic=573228>

Question 105

Democracy and totalitarianism fall on the same end of the political spectrum.

Answer: <https://biology-forums.com/index.php?topic=572692>

Question 106

A(n) _____ is the price of a currency.

- A) tariff
- B) quota

C) exchange rate

D) subsidy

Answer: <https://biology-forums.com/index.php?topic=573142>

Question 107

The European Union is an example of _____ integration.

A) regional

B) relative

C) global

D) bilateral

Answer: <https://biology-forums.com/index.php?topic=573037>

Question 108

Which of the following begins with a company defining critical success factors and specifying objective targets and hard deadlines?

A) coordination by standardization

B) coordination by consensus

C) coordination by plan

D) coordination by intervention

Answer: <https://biology-forums.com/index.php?topic=574024>

Question 109

A manager needs to prepare a grid to compare countries for location of the firm's international operations. It would be most useful for the manager to _____.

A) prepare an opportunity analysis in-house, but out-source the risk analysis

B) have agents within each country supply governmental data

C) prepare the risk analysis in-house, but out-source the opportunity analysis

D) use a team made up of people from different functions within the company

Answer: <https://biology-forums.com/index.php?topic=573713>

Question 110

In this example, assume that both trade and production factors are internationally mobile. Using domestic labor, the labor cost per silicon chip is \$.10 in Japan and \$.20 in the United States. Using domestic capital, the capital cost per chip is \$.10 in Japan and \$.05 in the United States. Chip transportation in either direction is \$.10. Japanese labor is willing to work in the United States for \$.15 per chip including the workers' transport cost. U.S. capital will go to Japan at a cost of \$.08 per chip including transaction costs. Which silicon chips will the United States buy?

A) those made in Japan with Japanese labor and capital

B) those made in the United States with U.S. labor and capital

C) those made in Japan with Japanese labor and U.S. capital

D) those made in the United States with Japanese labor and U.S. capital

Answer: <https://biology-forums.com/index.php?topic=572879>

Question 111

There is growing consensus that human resource managers must hire, develop, reward, and retain people whose performance explicitly improves the _____.

A) productivity of the firm's core competencies

B) fit between the firm's practices and industry standards

C) firm's engagement of political authorities

D) firm's responsiveness to customer complaints

Answer: <https://biology-forums.com/index.php?topic=574398>

Question 112

Which of the following statements most likely undermines the infant-industry argument?

A) Total unit costs decrease through economies of scale.

B) High tariffs to prevent foreign competition increase government revenues in the protected country.

C) Domestic entrepreneurs need assistance to compete in industries with high entry barriers.

D) Experience of operating over time triggers higher productivity and global competitiveness.

Answer: <https://biology-forums.com/index.php?topic=572941>

Question 113

The major objective of the European Central Bank is to control taxes as a means of deficit spending.

Answer: <https://biology-forums.com/index.php?topic=573315>

Question 114

The term collectivism refers to a system that stresses the primacy of societal goals over individual goals.

Answer: <https://biology-forums.com/index.php?topic=572687>

Question 115

In a short essay, describe the various affiliations upon which a person's status can be based and discuss how social stratification affects such business functions as marketing and employment practices.

Answer: <https://biology-forums.com/index.php?topic=572619>

Question 116

In which of the following countries would business activity, given its status as a "not free" marketplace, be under the greatest government control?

- A) Vietnam
- B) Pakistan
- C) India
- D) Brazil

Answer: <https://biology-forums.com/index.php?topic=572648>

Question 117

Monica, a Brazilian citizen, earned an MBA from Stanford University and has been working at the New York branch of Goldman Sachs for one year. Monica is being transferred to Goldman Sachs' office in Brazil where she will best be characterized as a(n) _____.

- A) local
- B) expatriate
- C) reverse expatriate
- D) third-country national

Answer: <https://biology-forums.com/index.php?topic=574408>

Question 118

Value-Mart has achieved the status of overall low-cost producer in its industry, which means that Value-Mart _____.

- A) can strongly defend its market position in the event of a price war
- B) will earn the largest profits of any company in the industry
- C) makes the most appealing product in its industry
- D) can block the entry of new firms into the industry

Answer: <https://biology-forums.com/index.php?topic=573589>

Question 119

Elite Manufacturing seeks a foreign location with a highly favorable business environment and a comprehensive legal code. Which of the following countries would be most suitable for Elite?

- A) Japan
- B) Canada
- C) Singapore
- D) United Kingdom

Answer: <https://biology-forums.com/index.php?topic=572673>

Question 120

Markets are not always perfectly competitive and some firms consistently outperform industry averages. This suggests that firm performance is also influenced by the presence of bright, motivated managers and their keen sense of innovative products or processes.

Answer: <https://biology-forums.com/index.php?topic=573636>

Question 121

According to the Industry Organization perspective, firm performance is determined by the presence of motivated managers and their ability to identify and develop innovative products for emerging markets.

Answer: <https://biology-forums.com/index.php?topic=573637>

Question 122

What is the difference between primary and secondary activities in the value chain? Describe the functions of configuration and coordination in these value activities.

Answer: <https://biology-forums.com/index.php?topic=573667>

Question 123

The shifting of trade to countries in a regional group at the expense of trade with countries not in the group is known as trade internalization.

Answer: <https://biology-forums.com/index.php?topic=573108>

Question 124

What motives do businesses have for entering into collaborative arrangements? What are some of the problems associated with collaborative arrangements?

Answer: <https://biology-forums.com/index.php?topic=573971>

Question 125

U.S. companies generally put earlier and more emphasis on countries where they perceive it's easier to operate.

Answer: <https://biology-forums.com/index.php?topic=573747>

Question 126

The Eurocurrency market is limited to exchanges that include the euro.

Answer: <https://biology-forums.com/index.php?topic=573433>

Question 127

Firms that operate in countries that have adopted the Kyoto Protocol are required to either reduce emissions or _____.

- A) purchase carbon credits from other firms
- B) file petitions to appeal the requirement
- C) cease manufacturing operations
- D) pay fines to the U.N.

Answer: <https://biology-forums.com/index.php?topic=573504>

Question 128

Countries with a _____ legal system tend to encourage precise, detailed contracts, whereas countries with a _____ legal system tend to encourage shorter and less specific contracts.

- A) theocratic; mixed
- B) common; civil
- C) civil; customary
- D) customary; common

Answer: <https://biology-forums.com/index.php?topic=572672>

Question 129

When a U.S. citizen flies Japan Airlines, the airline acts as a service exporter for Japan.

Answer: <https://biology-forums.com/index.php?topic=572505>

Question 130

Labor cost advantages gained by moving into a country with low wages may be short-lived because tax increases cancel out the low-wage advantages.

Answer: <https://biology-forums.com/index.php?topic=573742>

Question 131

Which of the following best describes a result of cultural collision in international business?

- A) A company implements practices that are less effective than intended.
- B) Local employees are overlooked for promotions by home country managers.
- C) Expatriate managers rely too heavily on local employees for negotiating business deals.
- D) Foreign and domestic companies make adjustments for the local culture and legal environment.

Answer: <https://biology-forums.com/index.php?topic=572527>

Question 132

Which of the following transactions refers to the sale of goods or services produced by a company based in one country to customers that reside in a different country?

- A) importing
- B) countertrading
- C) exporting

D) freight forwarding

Answer: <https://biology-forums.com/index.php?topic=573777>

Question 133

An example of a third-country national is a _____.

- A) dual citizen (Canadian and U.S. citizenship) working for a Mexican company in Mexico
- B) Canadian citizen working for a U.S. company in Canada
- C) U.S. citizen working for a U.S. company in Canada
- D) Canadian citizen working for a U.S. company in Mexico

Answer: <https://biology-forums.com/index.php?topic=574402>

Question 134

As a Japanese MNE, Sony is more likely to use _____ to evaluate performance of its foreign operations.

- A) quality targets
- B) market share
- C) ROI
- D) sales

Answer: <https://biology-forums.com/index.php?topic=574337>

Question 135

Which of the following is most likely a true statement about organization culture?

- A) Many organizations use a robust organization culture to create consistently high performance.
- B) Fewer and fewer companies allow an organization's culture to emerge naturally.
- C) Typically, managers from different countries have values similar to those endorsed by the company.
- D) Divergent values among managers and employees ease the exchange of ideas between people from different countries.

Answer: <https://biology-forums.com/index.php?topic=574035>

Question 136

Firms that pursue a(n) _____ strategy create value by transferring core competencies from the home market to foreign markets in which local rivals lack a competitive alternative.

- A) transnational
- B) multidomestic
- C) global
- D) international

Answer: <https://biology-forums.com/index.php?topic=573618>

Question 137

Which of the following best explains the increase in trading activity in recent years?

- A) growing emphasis on hedge funds
- B) availability of more global currencies
- C) demands for immediate money access
- D) advances in communication technology

Answer: <https://biology-forums.com/index.php?topic=573166>

Question 138

An international joint venture is an agreement between two or more companies for the use of a trademark.

Answer: <https://biology-forums.com/index.php?topic=573958>

Question 139

For U.S. MNEs, the tax-deferral privilege operating through a foreign subsidiary was not originally a tax loophole. On the contrary, it was granted by the U.S. government to allow U.S. firms to expand overseas and place them on a par with foreign competitors, which also enjoy similar types of tax deferral and export subsidies of one type or another.

Answer: <https://biology-forums.com/index.php?topic=573449>

Question 140

Compare the advantages of locating foreign operations to avoid where competitors have gone versus locating where competitors are.

Answer: <https://biology-forums.com/index.php?topic=573770>

Question 141

An agreement for the use of a trademark and assistance with business operations is known as a cross-licensing agreement.

Answer: <https://biology-forums.com/index.php?topic=573952>

Question 142

Coordination methods include mutual adjustment, planning, and standardization.

Answer: <https://biology-forums.com/index.php?topic=574056>

Question 143

Fortis Manufacturing Systems uses a highly focused system of quality control that takes a statistical approach and scrutinizes the firm's entire production system. Fortis most likely uses _____.

- A) total quality management
- B) acceptable quality levels
- C) just-in-time processes
- D) Six Sigma processes

Answer: <https://biology-forums.com/index.php?topic=574227>

Question 144

When choosing international operating locations, companies should outsource the preparation of grids or matrices to experts rather than preparing them with their own personnel.

Answer: <https://biology-forums.com/index.php?topic=573753>

Question 145

Gomez Enterprises, a firm based in Mexico City, exported 1,000 circuit boards to Taylor Industries, a firm based in Chicago. Taylor received a document from Gomez that requests immediate payment for the goods. Gomez has most likely sent a _____.

- A) time draft
- B) sight draft
- C) spot draft
- D) futures draft

Answer: <https://biology-forums.com/index.php?topic=573196>

Question 146

In a market economy, the patterns of resource allocation are most directly influenced by _____.

- A) government administrators who monitor the equilibrium of supply and demand
- B) industry coalitions that strive to improve the efficiency of production and service
- C) consumer group alliances that negotiate with firms to improve product quality
- D) consumers who "vote" by their personal decision to buy or not buy products

Answer: <https://biology-forums.com/index.php?topic=572738>

Question 147

The marketing orientation used by Bantam Shoes for its foreign sales focuses primarily on efficiency and product quality. Bantam most likely uses a _____.

- A) production orientation
- B) customer orientation
- C) sales orientation
- D) strategic marketing orientation

Answer: <https://biology-forums.com/index.php?topic=574082>

Question 148

Kyle, an international manager for Apex Industries, has been given the task of analyzing the economies of three different emerging countries for the firm's potential expansion. Which of the following questions is LEAST relevant to Kyle's assignment?

- A) How much freedom will Apex have to run its foreign operations?
- B) What are the current economic policies related to development?
- C) What is the likelihood that Apex can fill manufacturing positions with locals?
- D) What factors in the country drive or hinder economic change?

Answer: <https://biology-forums.com/index.php?topic=572729>

Question 149

Ethical dilemmas tend to be _____ for MNE managers than for domestic managers.

- A) more complicated

- B) less controversial
- C) easier to decide
- D) less common

Answer: <https://biology-forums.com/index.php?topic=573483>

Question 150

Why would companies become involved in arbitrage? What is the difference between arbitrage and interest arbitrage?

Answer: <https://biology-forums.com/index.php?topic=573246>

Question 151

Decision making in a functional structure tends to be _____.

- A) decentralized
- B) centralized
- C) horizontal
- D) collaborative

Answer: <https://biology-forums.com/index.php?topic=573994>

Question 152

_____ is the pricing of goods, services, and technology between related companies.

- A) Among pricing
- B) Retail pricing
- C) Transfer pricing
- D) Wholesale pricing

Answer: <https://biology-forums.com/index.php?topic=573423>

Question 153

What is a just-in-time inventory system? What are the implications of JIT for firms that use global sourcing?

Answer: <https://biology-forums.com/index.php?topic=574288>

Question 154

Toyota has been successful in Europe by exporting cars to Europe as well as designing and manufacturing cars in Europe for the European market.

Answer: <https://biology-forums.com/index.php?topic=573126>

Question 155

The three major responsibilities of the European Parliament are legislative power, control over the budget, and supervision of executive decisions.

Answer: <https://biology-forums.com/index.php?topic=573110>

Question 156

Neomercantilism describes the approach of countries that try to run a favorable balance of trade to _____.

- A) build up gold reserves
- B) achieve a social or political objective
- C) lower their rates of inflation
- D) buy raw materials more cheaply

Answer: <https://biology-forums.com/index.php?topic=572834>

Question 157

Vertical and horizontal constraints that segment employees and their tasks within an organization are generally referred to as _____.

- A) structures
- B) networks
- C) boundaries
- D) classifications

Answer: <https://biology-forums.com/index.php?topic=574012>

Question 158

The _____ is the European Union's ultimate decision-making body and is composed of the different ministers of the member countries.

- A) European Commission
- B) Council of the European Union
- C) European Parliament
- D) European Court of Justice

Answer: <https://biology-forums.com/index.php?topic=573062>

Question 159

The essence of a differentiation strategy is to _____.

- A) target the most sophisticated segment of the market
- B) incorporate the greatest number of features into a product
- C) offer a unique product that supports a premium price
- D) outspend rivals on product advertising

Answer: <https://biology-forums.com/index.php?topic=573592>

Question 160

_____ is a system of shared values about what is important and beliefs about how the world works among the employees of an organization.

- A) Organizational system
- B) Organizational structure
- C) Organizational culture
- D) Organizational vision

Answer: <https://biology-forums.com/index.php?topic=574034>

Question 161

An economic system is the set of structures and processes that guides the allocation of resources and shapes the conduct of business activities within a country.

Answer: <https://biology-forums.com/index.php?topic=572802>

Question 162

Germany's accounting system has historically been a _____ system.

- A) micro-pragmatic
- B) macro-pragmatic
- C) law-based
- D) tax-based

Answer: <https://biology-forums.com/index.php?topic=574310>

Question 163

Mobile Technology is a company that sees the world as a single market, assuming that consumer preferences and industry conditions do not vary much among countries. Mobile Technology is likely to adopt a global strategy.

Answer: <https://biology-forums.com/index.php?topic=573660>

Question 164

Which of the following statements about the English language is most likely NOT true?

- A) The largest portion of global output is in English-speaking countries.
- B) A large portion of MNEs are headquartered in English-speaking countries.
- C) English is the official national language in most countries where FDI is encouraged.
- D) Many MNEs from non-English speaking countries use English as their operating language.

Answer: <https://biology-forums.com/index.php?topic=572542>

Question 165

What is foreign direct investment? What social factors in the external environment might affect FDI?

Answer: <https://biology-forums.com/index.php?topic=572521>

Question 166

What problem most likely arises when a company wishes to sell techniques/technology that it has either not yet fully developed or used commercially?

- A) A buyer is reluctant to buy what it has not seen, and a seller risks divulging secretive information.
- B) Most governments want to see contract details, which companies feel are proprietary.
- C) It is difficult to develop a rapport between negotiating parties in this type of situation.
- D) Parties can seldom agree on the desired level of quality control.

Answer: <https://biology-forums.com/index.php?topic=573932>

Question 167

The stages of development in a company's export expansion are tied to company size.

Answer: <https://biology-forums.com/index.php?topic=573845>

Question 168

What is the gray market?

- A) sales targeted to elderly consumers
- B) selling goods through unofficial distributors
- C) a legal black market run by governments
- D) selling counterfeit merchandise

Answer: <https://biology-forums.com/index.php?topic=574126>

Question 169

Shelly, a manager at a global firm, is studying the foreign currency intervention practices of Indonesia. Shelly is most likely examining _____ factors.

- A) institutional setting
- B) fundamental analysis
- C) confidence
- D) circumstantial

Answer: <https://biology-forums.com/index.php?topic=573300>

Question 170

All of the following are areas in which commercial activities take place outside the territory of any nation EXCEPT _____.

- A) noncoastal areas of the oceans
- B) the Panama and Suez Canals
- C) outer space
- D) Antarctica

Answer: <https://biology-forums.com/index.php?topic=572446>

Question 171

Historically, companies have not been particularly concerned with the challenge of repatriation in managing their international human resources.

Answer: <https://biology-forums.com/index.php?topic=574505>

Question 172

There are more cost savings for international branding standardization than for international product standardization.

Answer: <https://biology-forums.com/index.php?topic=574161>

Question 173

Societies that emphasize collectivism place the interests of individuals over the interests of the state.

Answer: <https://biology-forums.com/index.php?topic=572688>

Question 174

Which of the following ideas calls for assessing a country's performance based on factors such as life expectancy, leisure time, and income equality?

- A) microeconomics
- B) happynomics
- C) macroeconomics
- D) green economics

Answer: <https://biology-forums.com/index.php?topic=572784>

Question 175

A common feature of neoclassical structures is greater cross-functional collaboration.

Answer: <https://biology-forums.com/index.php?topic=574053>

Question 176

Although most foreign-exchange activity takes place through big money center banks, the use of electronic trading has allowed even regional banks to deal directly in foreign-exchange markets.

Answer: <https://biology-forums.com/index.php?topic=573226>

Question 177

Since production has shifted to more efficient producers due to comparative advantage, consumers in Country X have had access to more goods at lower prices. Which of the following most likely exists?

- A) trade specialization
- B) trade diversion
- C) trade creation
- D) trade internalization

Answer: <https://biology-forums.com/index.php?topic=573058>

Question 178

In a country that practices state capitalism, all of the following are most likely to be handled by the state EXCEPT _____.

- A) leveraging control of the financial system
- B) developing national corporations
- C) supporting the local activities of foreign competitors
- D) systematically managing trade relations

Answer: <https://biology-forums.com/index.php?topic=572750>

Question 179

Jeff manages global purchasing for his employer and needs to select a new supplier. Jeff should most likely _____.

- A) implement e-commerce
- B) focus mainly on purchase price
- C) establish clear performance expectations
- D) maintain the same type of relationship with every supplier

Answer: <https://biology-forums.com/index.php?topic=574243>

Question 180

Which of the following BEST explains how a firm reduces risk by operating internationally?

- A) taking advantage of business-cycle differences among countries
- B) buying competitive risk insurance unavailable domestically
- C) preventing competitors from operating in the countries it has entered
- D) operating in less competitive environments than those at home

Answer: <https://biology-forums.com/index.php?topic=572459>

Question 181

Both the form and content of financial statements are currently the same in most countries due to the convergence of accounting implemented by the International Accounting Standards Board.

Answer: <https://biology-forums.com/index.php?topic=574354>

Question 182

Wholly owned operations abroad inhibit a company's ability to pursue a global strategy.

Answer: <https://biology-forums.com/index.php?topic=573939>

Question 183

Why is management of international human resources more difficult than directing human resources at the domestic level?

- A) the complications that arise from political, cultural, legal, and economic differences between countries
- B) the challenge posed by managers in other countries that aim to achieve global objectives for the company no matter the costs imposed on national objectives
- C) the greater similarity among foreign subsidiaries than among domestic subsidiaries in terms of dependence on headquarters for resources
- D) the complications posed by dealing with competing agendas from different labor unions in different countries

Answer: <https://biology-forums.com/index.php?topic=574393>

Question 184

The International Accounting Standards Board is composed of international securities regulators and is attempting to harmonize accounting standards through issuing International Financial Reporting Standards.

Answer: <https://biology-forums.com/index.php?topic=574364>

Question 185

The International Anti-Counterfeiting Coalition estimates that international trade in counterfeit products runs less than 5 percent of the value of total world trade.

Answer: <https://biology-forums.com/index.php?topic=572715>

Question 186

The primary responsibilities of the _____ are the assessment and collection of all duties, taxes, and fees on imported merchandise, the enforcement of customs and related laws, and the administration of certain navigation laws and treaties.

- A) Bureau of Customs and Border Protection
- B) U.S. Secret Service
- C) Internal Revenue Service
- D) Food and Drug Administration

Answer: <https://biology-forums.com/index.php?topic=573810>

Question 187

A free trade agreement is likely to increase efficiency because of _____.

- A) decreased competition
- B) increased competition
- C) decreased trade diversion
- D) decreased trade creation

Answer: <https://biology-forums.com/index.php?topic=573059>

Question 188

El Salvador has a population density of about 620 people per square mile and neighboring Honduras a population density of about 115 people per square mile. According to the factor proportions theory of trade, one would expect El Salvador's exports to Honduras to _____.

- A) have a lower labor-to-land ratio than its imports from Honduras
- B) have a higher labor-to-land ratio than its imports from Honduras
- C) embody more capital per square mile than its imports from Honduras
- D) embody more capital per worker than its imports from Honduras

Answer: <https://biology-forums.com/index.php?topic=572851>

Question 189

_____ consists of specific learned norms based on attitudes, values, and beliefs of a group of people.

- A) Ethnology
- B) Civilization
- C) Culture
- D) Doctrine

Answer: <https://biology-forums.com/index.php?topic=572523>

Question 190

A major challenge to Global Positioning Systems in providing foreign-exchange services to its clients is that _____.

- A) GPS lacks access to major foreign exchange quoting services
- B) GPS has to constantly upgrade the quality of the services it offers
- C) GPS cannot provide individualized attention to its customers, so it has to commoditize its product lines
- D) new regulations have stopped GPS from selling foreign-exchange services that compete with the banks

Answer: <https://biology-forums.com/index.php?topic=573351>

Question 191

Advanced communication systems have contributed to growth in international business by _____.

- A) enabling better oversight of global operations
- B) reducing the effects of global competition
- C) decreasing the cost of cargo transportation
- D) reducing export regulations

Answer: <https://biology-forums.com/index.php?topic=572436>

Question 192

A manager has the task of collecting and analyzing data that will help the firm decide where to locate its international operations. Which of the following best describes how the manager should handle this task?

- A) conduct extensive research, regardless of the expense, in order to avoid costly mistakes
- B) compare the costs of data collection with the probable payoff for the firm in order to budget and schedule the collection
- C) continue data gathering until all data have been collected, regardless of how long this takes
- D) focus all data collection on governmental resources because they have the highest reliability

Answer: <https://biology-forums.com/index.php?topic=573706>

Question 193

In nearly half the cases in which U.S. firms have requested protection from imports, one or more U.S. companies in the industry opposed the

protection. What was the reason for opposing protection?

- A) They did not want consumers to have to pay higher prices that would result from protection.
- B) These were foreign-owned companies that saw the opportunity to serve the U.S. market.
- C) They feared that they would lose foreign export markets because of retaliation.
- D) They believed that they could compete against global and domestic rivals.

Answer: <https://biology-forums.com/index.php?topic=572985>

Question 194

The global integration of capital markets _____.

- A) is a major force leading to the convergence of accounting standards
- B) is a counterforce to regional political and economic harmonization
- C) is being led by the strengthening of worldwide unions rather than investors
- D) highlights the importance of maintaining differences in accounting worldwide

Answer: <https://biology-forums.com/index.php?topic=574319>

Question 195

Which of the following best describes a major difference between supply chain management and logistics?

- A) Supply chain management involves handling suppliers and customers.
- B) Logistics involves longer distances and international distribution networks.
- C) Supply chain management focuses on transportation and the storage of goods.
- D) Logistics only encompasses the outbound flow of products and materials.

Answer: <https://biology-forums.com/index.php?topic=574199>

Question 196

History suggests that if the economic crisis worsens, we are likely to see more people question the _____.

- A) fall of communism
- B) legitimacy of capitalism
- C) practicality of mixed market economies
- D) correlation between economic freedom and prosperity

Answer: <https://biology-forums.com/index.php?topic=572734>

Question 197

The fundamental element of democracy is justice.

Answer: <https://biology-forums.com/index.php?topic=572693>

Question 198

Marrin Associates is an MNE with operations in Hong Kong, India, and Canada. The firm strives to leverage its core competencies worldwide, reduce costs by exploiting location economics, and adapt when efficient to local conditions. Marrin is most likely following a(n) _____ strategy.

- A) global
- B) multidomestic
- C) transnational
- D) international

Answer: <https://biology-forums.com/index.php?topic=573633>

Question 199

An exception to the PLC theory in terms of production location is often a product with very rapid change in innovation.

Answer: <https://biology-forums.com/index.php?topic=572907>

Question 200

The open source model is a hyperarchy that involves giving source code to volunteers who fix software bugs.

Answer: <https://biology-forums.com/index.php?topic=574067>

Question 201

Small and medium-size enterprises, such as SpinCent as seen in the opening case for chapter 14, account for _____ of all U.S. exporters.

- A) 38%
- B) 54%
- C) 79%
- D) 98%

Answer: <https://biology-forums.com/index.php?topic=573779>

Question 202

Which of the following handles the majority of all foreign-exchange activities?

- A) multinational enterprises
- B) commodities exchanges
- C) commercial banks
- D) regional banks

Answer: <https://biology-forums.com/index.php?topic=573188>

Question 203

Which of the following is one of the benefits of using the balanced scorecard approach?

- A) It helps managers avoid using only one measure of performance.
- B) It avoids using financial drivers so that it can focus on nonfinancial drivers.
- C) It avoids using nonfinancial drivers so that it can focus on financial drivers.
- D) It is separate from the strategic management system so that it can focus on financial measures.

Answer: <https://biology-forums.com/index.php?topic=574347>

Question 204

In a short essay, discuss the standardization of two marketing components: advertising and distribution.

Answer: <https://biology-forums.com/index.php?topic=574189>

Question 205

A major benefit of the international division structure is _____.

- A) outsourcing distribution and shipping tasks
- B) responding quickly to foreign events
- C) diversifying most product groups
- D) hiring low-cost, local workers

Answer: <https://biology-forums.com/index.php?topic=573997>

Question 206

The EU organization that ensures consistent interpretation and application of EU treaties is the _____.

- A) European Commission
- B) Council of Ministers
- C) Court of Justice
- D) Council of Treaties and Laws

Answer: <https://biology-forums.com/index.php?topic=573065>

Question 207

Which of the following is most likely a characteristic of a "partly free" country, such as Guatemala, Kenya, or Malaysia?

- A) strict religious constraints
- B) fair election procedures
- C) respect for civil liberties
- D) weak rule of law

Answer: <https://biology-forums.com/index.php?topic=572647>

Question 208

Which of the following is NOT affected by the Foreign Corrupt Practices Act?

- A) companies registered in the U.S.
- B) foreign firms operating in U.S. territory
- C) foreign firms quoted on a U.S. stock exchange
- D) foreign companies managed by U.S. expatriates

Answer: <https://biology-forums.com/index.php?topic=573496>

Question 209

_____ are the two basic strategies for creating value and attaining a competitive advantage in an industry.

- A) Diversification and niche marketing
- B) Industry leadership and market dominance
- C) Customer satisfaction and product innovation
- D) Cost leadership and differentiation

Answer: <https://biology-forums.com/index.php?topic=573590>

Question 210

A pull rather than a push strategy is most likely preferable when _____.

- A) self-service is not predominant
- B) the price of a product is high relative to incomes
- C) there are few governmental restrictions on advertising
- D) there are a large number of languages and a low literacy rate

Answer: <https://biology-forums.com/index.php?topic=574130>

Question 211

What is the primary argument against extraterritoriality?

- A) increases opportunities for corporate bribery
- B) contradicts demands for increased globalization
- C) requires oversight by nongovernmental organizations
- D) prohibits firms from expanding into foreign territories

Answer: <https://biology-forums.com/index.php?topic=573492>

Question 212

Under mercantilism, governments sought to influence trade by _____.

- A) establishing bilateral trading agreements with other countries
- B) limiting exports
- C) limiting imports and subsidizing exports
- D) encouraging the development of manufacturing in their colonies

Answer: <https://biology-forums.com/index.php?topic=572832>

Question 213

In societies where trust is high, there tends to be a lower cost of doing business.

Answer: <https://biology-forums.com/index.php?topic=572605>

Question 214

Higher disposable income and technological advances help overcome many geographic constraints on product demand and distribution.

Answer: <https://biology-forums.com/index.php?topic=574177>

Question 215

Risks to companies from natural disasters and communicable diseases are _____.

- A) evenly distributed around the world
- B) more complicated today because of publicity
- C) a minor issue to global firms because of insurance
- D) most prevalent in the poorest countries of the world

Answer: <https://biology-forums.com/index.php?topic=573697>

Question 216

A kanban system is best described as a system that _____.

- A) uses special locations for storing imported inventory to avoid paying duties
- B) seeks to improve quality by setting a rigorous goal of zero defects
- C) electronically links together suppliers, customers, and intermediaries
- D) facilitates JIT by using cards to control the flow of production through a factory

Answer: <https://biology-forums.com/index.php?topic=574246>

Question 217

Change in the long-term industry growth rate has the potential to transform an industry's structure.

Answer: <https://biology-forums.com/index.php?topic=573639>

Question 218

One of the potential problems for an MNE that practices too much polycentrism is _____.

- A) demanding that local communication methods be replaced with modern technology
- B) underestimating the complexity of introducing new management practices
- C) losing innovative capabilities to less-risky host-country practices

D) relying too much on home-country directions and policies

Answer: <https://biology-forums.com/index.php?topic=572569>

Question 219

If a foreign currency is quoted in American terms (the direct quote) and the forward rate for a foreign currency is less than the spot rate, the foreign currency is selling at a _____.

- A) forward premium
- B) backward discount
- C) backward premium
- D) forward discount

Answer: <https://biology-forums.com/index.php?topic=573179>

Question 220

Vale, the large Brazilian mining company, is trying to decide if it wants to invest in a Canadian nickel mine. Which of the following questions is LEAST relevant to Vale's capital budgeting decision?

- A) How will differing rates of inflation in Canada and Brazil affect the parent and subsidiary?
- B) How will dividends be affected by the Canadian and Brazilian tax systems?
- C) What is the difference in inflation rates between Brazil and Canada?
- D) Does Brazil or Canada have the absolute advantage in exporting?

Answer: <https://biology-forums.com/index.php?topic=573414>

Question 221

An import tariff may be protective _____.

- A) only if it is on imports the country produces domestically
- B) if it serves primarily to restrict entry of hazardous materials
- C) if it does not generate significant tax revenue for essential industries
- D) even though the importing country does not produce the product

Answer: <https://biology-forums.com/index.php?topic=572969>

Question 222

Coordination by plan deals with exact rules and procedures that spell out what needs to be done and how.

Answer: <https://biology-forums.com/index.php?topic=574057>

Question 223

All of the following factors most likely led to Costa Rica's attraction of high-tech FDI EXCEPT the country's _____.

- A) demand for high-tech products
- B) literacy rate
- C) quality of life
- D) political stability

Answer: <https://biology-forums.com/index.php?topic=572886>

Question 224

Between 2000 and 2008, China's economy grew at a faster rate than Japan's economy.

Answer: <https://biology-forums.com/index.php?topic=572814>

Question 225

What is a turnkey operation? What features generally make turnkey operations different from other collaborative arrangements?

Answer: <https://biology-forums.com/index.php?topic=573975>

Question 226

Alta Designs is considering the idea of global sourcing. What would be the most likely result for Alta Designs?

- A) gain access to more domestic markets
- B) gain access to more domestic products
- C) lower costs and improve quality
- D) shorten lengthy supply lines

Answer: <https://biology-forums.com/index.php?topic=574231>

Question 227

An example of an effective commodity agreement is _____.

- A) the Organization of Petroleum Exporting Countries
- B) the Organization of Petroleum Importing Countries
- C) the International Tin Alliance
- D) the International Cotton Alliance

Answer: <https://biology-forums.com/index.php?topic=573090>

Question 228

A confirmed letter of credit may obligate the exporter's bank to honor a draft presented to it.

Answer: <https://biology-forums.com/index.php?topic=573230>

Question 229

A major reason for the Parmalat accounting scandal is that the firm _____.

- A) sold milk in countries without a license
- B) used U.S. GAAP standards instead of IFRS
- C) used off-balance-sheet financing to hide debts
- D) transferred most of its assets to banks in Switzerland

Answer: <https://biology-forums.com/index.php?topic=574293>

Question 230

A company sometimes handles a broader line of products in a foreign country than in its home country because most of its new product development is abroad.

Answer: <https://biology-forums.com/index.php?topic=574163>

Question 231

The major objective of the European Central Bank is to _____.

- A) set monetary policy for EU countries that adopt the euro
- B) ensure that EU interest rates are equal to U.S. rates
- C) control taxes as a means of monitoring EU debt
- D) reduce spending by EU countries

Answer: <https://biology-forums.com/index.php?topic=573263>

Question 232

Devon, an accounts manager at a large electronics firm, does not have any direct international responsibilities; however, Devon would most likely benefit from studying international business issues so that he can _____.

- A) conduct better job interviews
- B) better understand how foreign operations affect the company's competitive position
- C) supervise and evaluate subordinates who have global assignments
- D) understand the legalities of importing and exporting products overseas

Answer: <https://biology-forums.com/index.php?topic=572427>

Question 233

Which of the following is NOT one of the three main types of importers?

- A) importers looking for suppliers abroad to concentrate their operating risks
- B) importers looking for any product around the world they can deliver to local citizens for a profit
- C) importers looking to foreign-sourcing to get the highest quality products at the lowest possible price
- D) importers using foreign sourcing to optimize their supply chains

Answer: <https://biology-forums.com/index.php?topic=573807>

Question 234

In addition to hiding losses, Parmalat engaged in financial statement fraud to _____.

- A) pay shareholders
- B) bribe government officials
- C) support family-owned businesses
- D) avoid paying high export/import tariffs

Answer: <https://biology-forums.com/index.php?topic=574294>

Question 235

Imports can stimulate exports by _____.

- A) redistributing the work force

- B) curtailing domestic competition
- C) generating more tax revenue
- D) increasing foreign income

Answer: <https://biology-forums.com/index.php?topic=572938>

Question 236

An executive with a polycentric staffing policy presumes that successful business practices at home need not change when transferred to foreign markets.

Answer: <https://biology-forums.com/index.php?topic=574465>

Question 237

Companies typically use various international operating forms simultaneously for all the following reasons EXCEPT which one?

- A) They may be at different stages of commitment for different products.
- B) They may be at different stages of commitment for different countries.
- C) They may need to balance foreign revenues among their operating divisions.
- D) Differences in countries' characteristics may necessitate diverse operational forms.

Answer: <https://biology-forums.com/index.php?topic=573928>

Question 238

Governments have signed treaties to protect foreign-owned property rights, such as investments and patents. A primary reason for doing so is to _____.

- A) gain reciprocal advantages
- B) reduce the domestic effects of other countries' economic policies
- C) deal with areas of concern outside the territory of any one country
- D) reduce national conflicts leading to violent political demonstrations

Answer: <https://biology-forums.com/index.php?topic=572445>

Question 239

Why is global HRM more difficult than domestic HRM? How can staffing a foreign facility with locals alleviate some of these HRM difficulties?

Answer: <https://biology-forums.com/index.php?topic=574511>

Question 240

What are the major types of published data that managers can use to compare countries? Describe the tools available to managers for making country comparisons.

Answer: <https://biology-forums.com/index.php?topic=573772>

Question 241

Most countries have agreed on how to assess values when their customs agents levy tariffs. Which of the following best expresses this agreement?

- A) They should use the value of similar goods arriving at about the same time.
- B) They should use the declared invoice price unless they doubt its authenticity.
- C) They should assess a value based on local costs to produce a similar product.
- D) They should assess a value based on the expected final consumer sales price.

Answer: <https://biology-forums.com/index.php?topic=572975>

Question 242

Neoclassical structures aim to centralize decision-making authority by removing boundaries that impede the decentralization of decision making.

Answer: <https://biology-forums.com/index.php?topic=574052>

Question 243

According to the purchasing power parity theory, a change in relative interest rates between two countries must cause a change in exchange rates.

Answer: <https://biology-forums.com/index.php?topic=573324>

Question 244

The most-favored-nation policy is a WTO privilege that allows member nations to restrict tariff cuts to members.

Answer: <https://biology-forums.com/index.php?topic=573100>

Question 245

What are common reasons that governments enact export restrictions? What are the possible negative consequences of such restrictions?

Answer: <https://biology-forums.com/index.php?topic=573028>

Question 246

The range of economic systems in the world today, when represented on a spectrum, has one end anchored by the idea of capitalism, the other with that of socialism.

Answer: <https://biology-forums.com/index.php?topic=572803>

Question 247

Which of the following is the purpose of a company's value proposition?

- A) to exceed customers' expectations
- B) to force competitors into a price war
- C) to identify consumers for whom the company creates products
- D) to explain why a consumer should buy the company's products

Answer: <https://biology-forums.com/index.php?topic=573587>

Question 248

The HRM requirements of a(n) _____ strategy are well matched with an ethnocentric staffing policy.

- A) multidomestic
- B) transnational
- C) international
- D) global

Answer: <https://biology-forums.com/index.php?topic=574424>

Question 249

Pulte Homes adapts its marketing to foreign differences by making minor changes to bathrooms and outdoor patios. However, Pulte Homes uses the same floor plans and exterior attributes in all countries to gain economies of standardization. Pulte Homes most likely follows a _____.

- A) social marketing orientation
- B) sales orientation
- C) strategic marketing orientation
- D) production orientation

Answer: <https://biology-forums.com/index.php?topic=574088>

Question 250

Jeanette Thompson, a native Texan, is being sent by her company, Samsung of South Korea, to head up a new facility in Hong Kong. Jeanette would be considered a(n) _____.

- A) inpatriate
- B) host-country citizen
- C) third-country national
- D) local executive

Answer: <https://biology-forums.com/index.php?topic=574403>

Question 251

A Japanese keiretsu is best described as a _____.

- A) family business
- B) product division
- C) network structure
- D) centralized control system

Answer: <https://biology-forums.com/index.php?topic=574016>

Question 252

According to the theory of success and reward expectation, the greatest enthusiasm for work generally occurs when there is a _____ certainty of success combined with a _____ reward for success compared to the reward for failure.

- A) high; high
- B) high; low
- C) low; high
- D) low; low

Answer: <https://biology-forums.com/index.php?topic=572548>

Question 253

The long-term financing dimension of cash management _____.

- A) deals with the selection, issuance, and management of long-term debt and equity
- B) is unaffected by currency changes because everyone borrows in U.S. dollars
- C) focuses on the analysis of investment opportunities
- D) is independent of the capital structure of an MNE

Answer: <https://biology-forums.com/index.php?topic=573352>

Question 254

Acquiring and allocating financial resources among the company's activities and projects is the responsibility of the financial marketing manager.

Answer: <https://biology-forums.com/index.php?topic=573429>

Question 255

The relationship between import substitution policies and export-led development policies is best characterized by which of the following?

- A) Import-substitution policies are more likely to lead to production of mature products, whereas export-led development policies result in production of growth products.
- B) The two are hard to distinguish because production under import substitution may eventually be exported.
- C) Production under import substitution policies, as opposed to export-led development policies, is more likely to be located in urban areas.
- D) Production under import substitution policies, as opposed to export-led development policies, is likely to be more labor-intensive.

Answer: <https://biology-forums.com/index.php?topic=572951>

Question 256

Home country consumers are typically active in preventing their domestic companies from dumping products into foreign markets.

Answer: <https://biology-forums.com/index.php?topic=573008>

Question 257

According to theories of specialization in international trade, gains occur because specialized workers move to countries that can use their skills more effectively.

Answer: <https://biology-forums.com/index.php?topic=572897>

Question 258

The importance of using a brand to convey the perception of whether a firm will deliver what it promises is more critical in _____.

- A) countries without strong trademark protection
- B) selling to mass markets than in selling to niche markets
- C) countries with strong cultural characteristics of uncertainty avoidance
- D) selling industrial products than final consumer products

Answer: <https://biology-forums.com/index.php?topic=574138>

Question 259

Companies with _____ would most likely oppose global protectionist measures.

- A) internationally integrated supply chains
- B) domestically focused supply chains
- C) multidomestic production facilities
- D) product differentiation

Answer: <https://biology-forums.com/index.php?topic=572984>

Question 260

A price on goods and services sold by one member of a corporate family to another is known as a(n) _____.

- A) transfer price
- B) tax credit price
- C) passive price
- D) active price

Answer: <https://biology-forums.com/index.php?topic=573421>

Question 261

Elison Enterprises is planning international geographic expansion. A manager at Elison has been given the task of scanning for locations primarily to _____.

- A) reduce the number of options available to a manageable number for further detailed analysis
- B) assure the compatibility between the mode of corporate operation and the country
- C) assure that all countries within a region have similar investment climates

D) decide whether to use a concentration or a diversification strategy

Answer: <https://biology-forums.com/index.php?topic=573680>

Question 262

Successful trade retaliation is most likely achieved _____.

- A) on agricultural products
- B) on manufactured products
- C) by a large trading country
- D) by a small trading country

Answer: <https://biology-forums.com/index.php?topic=572937>

Question 263

Agreements on international product standards are hampered by all the following factors EXCEPT _____.

- A) that standardization increases production costs
- B) consumer reluctance to change
- C) the cost of redesigning and retooling
- D) governments' desires to protect investments

Answer: <https://biology-forums.com/index.php?topic=574096>

Question 264

Studies of repatriated employees regularly report that most knew what their company position would be when they returned home but were uncertain about their likely new workplace practices.

Answer: <https://biology-forums.com/index.php?topic=574506>

Question 265

Vandelay Designs is a small firm based in Boston that makes and sells scrapbooking products through its retail store and Web site. Many of Vandelay's first sales were made to customers located in Canada, England, and Japan. Vandelay Designs would best be identified as a(n) _____.

- A) incremental exporter
- B) occasional exporter
- C) born global
- D) geo-expo

Answer: <https://biology-forums.com/index.php?topic=573796>

Question 266

An import license is _____.

- A) an agreement whereby one country gives another country permission to use a patent that a company has registered there
- B) a requirement that exporters take merchandise in lieu of money as payment for their sales
- C) a requirement that permission be secured from governmental authorities before importation can be undertaken
- D) a government prohibition of imports from a specific country

Answer: <https://biology-forums.com/index.php?topic=572978>

Question 267

Which of the following primarily triggered Toyota's investment in the European Union?

- A) Europeans demanded affordable, high quality cars from Japan.
- B) A common currency gave Europeans more buying power.
- C) The EU lowered trade barriers on foreign auto imports.
- D) Japan and the EU formed a free trade agreement.

Answer: <https://biology-forums.com/index.php?topic=573092>

Question 268

The foreign-born population as a percentage of total population is substantial for some countries and insignificant for others.

Answer: <https://biology-forums.com/index.php?topic=572913>

Question 269

What is the difference between a low-context culture and a high-context culture? How do these differences affect communication in international business dealings?

Answer: <https://biology-forums.com/index.php?topic=572622>

Question 270

An ADR is a negotiable certificate issued by a U.S. bank in the United States to represent the underlying shares of a foreign corporation's stock held at a custodian bank in the foreign country.

Answer: <https://biology-forums.com/index.php?topic=573442>

Question 271

Which of the following is NOT an area in which expatriates experience repatriation frustration?

- A) change in personal finances and compensation
- B) readjustment to home country corporate structure
- C) change in technical competence
- D) readjustment to life at home

Answer: <https://biology-forums.com/index.php?topic=574446>

Question 272

What is the difference between a free trade agreement and a customs union? Provide examples of each in your answer.

Answer: <https://biology-forums.com/index.php?topic=573136>

Question 273

The argument that "anything legal is ethical" is insufficient as a basis for ethical behavior because the law usually does not apply to everyone and does not have enforceable rules.

Answer: <https://biology-forums.com/index.php?topic=573536>

Question 274

Roland Enterprises, an American company, has a manufacturing facility in France in order to serve customers throughout Europe. Roland is most likely using a _____ manufacturing strategy.

- A) centralized
- B) regional
- C) global
- D) country-specific

Answer: <https://biology-forums.com/index.php?topic=574210>

Question 275

Which of the following is a characteristic of most offshore financial centers?

- A) strict domestic regulation
- B) minimal banking activities
- C) large foreign currency markets
- D) nominal or non-existent tax rates

Answer: <https://biology-forums.com/index.php?topic=573406>

Question 276

Describe how an MNE might use reports as a control mechanism.

Answer: <https://biology-forums.com/index.php?topic=574072>

Question 277

Franchisees sometimes wish to change the product or service offered by the franchisor to better fit local market needs abroad. Why are these changes a problem for franchisors?

- A) Too many changes eliminate the need for the franchisors.
- B) The royalties as a percentage of sales decrease.
- C) Governments impose more stringent operating restrictions.
- D) Sales decrease because consumers want to get the "real thing."

Answer: <https://biology-forums.com/index.php?topic=573911>

Question 278

Which of the following most accurately describes the economic situation in El Salvador?

- A) It is facing significant competition from neighboring countries that are not tied to the dollar.
- B) It relies exclusively on the United States as a market for its products.
- C) It now has the same exchange rate as other members of CACM.
- D) It is putting more resources into industries that have a history of earning profits.

Answer: <https://biology-forums.com/index.php?topic=573308>

Question 279

Which of the following best describes arbitrage?

- A) using foreign exchange to fund new foreign direct investments
- B) purchasing foreign currency in anticipation of long-term trends
- C) using foreign-exchange instruments to speculate for profit
- D) purchasing foreign currency on one market for immediate resale on another market

Answer: <https://biology-forums.com/index.php?topic=573202>

Question 280

Morris Lighting is a U.S. firm that wants to start exporting its high-end lighting fixtures to foreign markets. Morris Lighting should seek assistance from U.S. government agencies for all of the following EXCEPT _____.

- A) organizing trade events that help potential exporters make foreign contacts and explore export opportunities
- B) understanding how to comply with domestic and foreign trade regulations
- C) acting as an export marketing department or international department for the company
- D) providing information about market demographics and product demand

Answer: <https://biology-forums.com/index.php?topic=573824>

Question 281

Options are more flexible than forward contracts.

Answer: <https://biology-forums.com/index.php?topic=573223>

Question 282

Contrary to the product life cycle theory, there has been an increased tendency for companies to _____.

- A) sell products only in their home markets throughout the cycle
- B) produce and sell products in countries where counterfeiting is low
- C) introduce new products simultaneously in domestic and foreign markets
- D) sell new products in developing countries before expanding into developed countries

Answer: <https://biology-forums.com/index.php?topic=572863>

Question 283

The government of Country X imposes import restrictions on steel to help the domestic steel industry in depressed areas. What is the most likely result of such restrictions?

- A) damaging other industries in Country X
- B) devaluing the currency of Country X
- C) lowering steel prices in Country X
- D) triggering boycotts in Country X

Answer: <https://biology-forums.com/index.php?topic=572932>

Question 284

A U.S. firm with a production facility in Brazil uses its own personnel to handle almost all activities because their outsourcing would be too costly and inefficient. Its internalization will most likely lead to cost savings because the firm can avoid _____.

- A) costly customs brokers
- B) high, fixed start-up costs
- C) the costs of enforcing an agreement
- D) sharing profits

Answer: <https://biology-forums.com/index.php?topic=573884>

Question 285

Acquiring and allocating financial resources among the company's activities and projects is the responsibility of the _____.

- A) accounting function of the firm
- B) external auditors
- C) CFO
- D) financial marketing manager

Answer: <https://biology-forums.com/index.php?topic=573356>

Question 286

Johnson & Johnson delegates to its subsidiaries a great deal of authority to respond to local conditions. Many subsidiaries have their own manufacturing, marketing, research, and human resource functions. This value chain configuration illustrates the _____ strategy.

- A) transnational
- B) global
- C) multidomestic
- D) international

Answer: <https://biology-forums.com/index.php?topic=573625>

Question 287

The basis for designing an effective export strategy most likely begins with _____.

- A) identifying how a firm can leverage its core competencies into foreign markets
- B) hiring local personnel in target markets to build the business
- C) enlisting the support of an export management company
- D) simultaneously targeting a large number of foreign markets

Answer: <https://biology-forums.com/index.php?topic=573803>

Question 288

The free trade theories of specialization primarily assume that _____.

- A) specialization leads to unemployment, but production gains compensate for job losses
- B) resources can move internationally from the production of one good to another
- C) resources can move domestically from the production of one good to another
- D) countries have objectives other than economic efficiency

Answer: <https://biology-forums.com/index.php?topic=572844>

Question 289

Although the U.S. film industry depends heavily on revenue in foreign countries, revenue from international markets is usually low for a sports-themed film. This is most likely due to _____ factors.

- A) political
- B) geographic
- C) behavioral
- D) legal

Answer: <https://biology-forums.com/index.php?topic=572470>

Question 290

Managing and cultivating diverse teams is facilitated by first encouraging team members to _____.

- A) understand each other's culture before dealing with the tasks at hand
- B) jump into the task allowing the team members to react and adapt to each other
- C) allow team members to deal with the fellows as they would in their own culture
- D) establish strict rules on how the task will be performed

Answer: <https://biology-forums.com/index.php?topic=572525>

Question 291

Which of the following statements best describes a pluralistic society?

- A) Multiple segments of society adhere to the same political philosophy.
- B) Two dominant political parties rule local and federal governments.
- C) Different ideologies are held by different segments of society.
- D) Various ethnic groups belong to the official political party.

Answer: <https://biology-forums.com/index.php?topic=572640>

Question 292

Many firms gain a global competitive advantage by fostering cultural diversity.

Answer: <https://biology-forums.com/index.php?topic=572589>

Question 293

Expatriate failure, broadly defined, indicates there is a breakdown in a company's selection policies to staff its foreign operations.

Answer: <https://biology-forums.com/index.php?topic=574473>

Question 294

Ray, a marketer at a global firm, monitors the exchange rate of countries in which the firm sells its products. Ray is most likely concerned about changes in _____.

- A) operating expenses

- B) exporting policies
- C) product demand
- D) quality control

Answer: <https://biology-forums.com/index.php?topic=573304>

Question 295

Comparability of economic information among countries is hampered by countries' use of different definitions for similar terms.

Answer: <https://biology-forums.com/index.php?topic=573752>

Question 296

Foreign branch income is _____.

- A) deferred from U.S. taxation until a dividend is remitted to the parent company
- B) considered passive income and therefore not subject to U.S. taxation
- C) directly included in the parent's taxable income in the year in which it is earned
- D) considered active income and therefore deferred until future years

Answer: <https://biology-forums.com/index.php?topic=573416>

Question 297

If a Big Mac costs \$3.41 in the United States and \$2.67 in Argentina (the price of a Big Mac in Argentine pesos converted into dollars at the spot exchange rate), which of the following is most likely true?

- A) The peso is overvalued against the dollar.
- B) The dollar is overvalued against the peso.
- C) It should be harder for a U.S. tourist to buy a leather coat in Buenos Aires because the dollar won't go very far.
- D) It will be cheap for Argentine companies to invest in the United States because the dollar is relatively weak.

Answer: <https://biology-forums.com/index.php?topic=573287>

Question 298

According to the Treaty of Maastricht, a euro applicant must have a total outstanding government debt that does not exceed 60% of its GDP.

Answer: <https://biology-forums.com/index.php?topic=573316>

Question 299

In 2010, what was the top remittance-receiving country in the world?

- A) Brazil
- B) Mexico
- C) India
- D) China

Answer: <https://biology-forums.com/index.php?topic=573139>

Question 300

Which of the following is NOT one of the three personality traits that specifically affect international marketing?

- A) globalism
- B) materialism
- C) ethnocentrism
- D) cosmopolitanism

Answer: <https://biology-forums.com/index.php?topic=574152>

Question 301

What are the differences between ethnocentric, polycentric, and geocentric frameworks?

Answer: <https://biology-forums.com/index.php?topic=574509>

Question 302

Small economies are sometimes less successful than large countries in attracting FDI by raising import restrictions. What is the most likely reason for this?

- A) Large economies impose higher trade restrictions.
- B) Transportation costs are generally higher in small economies.
- C) People in small economies are more nationalistic in their purchases.
- D) Small economies frequently lack sufficient markets for large-scale production.

Answer: <https://biology-forums.com/index.php?topic=573882>

Question 303

From an accounting perspective, countries with strong equity markets and shareholder orientations tend to be _____.

- A) macro-uniform systems
- B) micro-based systems
- C) law-based systems
- D) tax-based systems

Answer: <https://biology-forums.com/index.php?topic=574312>

Question 304

A bond that is issued by Nestle, a Swiss company, which is denominated in yen and sold to residents of Japan is most likely a _____.

- A) Eurobond
- B) global bond
- C) foreign bond
- D) country fund

Answer: <https://biology-forums.com/index.php?topic=573377>

Question 305

Reebok pays a royalty to the German Soccer League to use the team's logo on t-shirts that it sells. Reebok and the German Soccer League most likely have a _____.

- A) turnkey operation contract
- B) licensing agreement
- C) portfolio investment
- D) joint venture

Answer: <https://biology-forums.com/index.php?topic=572463>

Question 306

GE's Ecomagination program has enabled the firm to develop a competitive advantage over its competitors.

Answer: <https://biology-forums.com/index.php?topic=573529>

Question 307

A firm with operations in Denmark can most likely expect all of the following EXCEPT _____.

- A) high taxes
- B) significant regulation
- C) tough job-protection laws
- D) minimal monetary policies

Answer: <https://biology-forums.com/index.php?topic=572781>

Question 308

Neoclassical structures promote tightly connected networks both vertically and horizontally to ensure that strategic requirements are fulfilled.

Answer: <https://biology-forums.com/index.php?topic=574065>

Question 309

Advantages of following a strategy of local responsiveness include the _____.

- A) improved ability to transfer skills to employees in different locations
- B) opportunity to adopt a global advertising program
- C) ease in standardizing manufacturing methods across countries
- D) flexibility to apply location-specific skills to local opportunities

Answer: <https://biology-forums.com/index.php?topic=573612>

Question 310

Companies around the world typically find it easy to locate a number of executives able and willing to run foreign operations.

Answer: <https://biology-forums.com/index.php?topic=574461>

Question 311

Martin Manufacturing is an MNE that centralizes authority to implement an extensive set of rules and procedures to govern a broad range of activities.

Martin Manufacturing is most likely applying a system of _____.

- A) market control
- B) adjustment control

- C) bureaucratic control
- D) clan control

Answer: <https://biology-forums.com/index.php?topic=574028>

Question 312

Which of the following best explains why international business has grown rapidly in the past few decades?

- A) the end of the political division between the Communist and non-Communist blocs
- B) greater income equality in most countries
- C) growing concern about climate change
- D) increased concerns about terrorism

Answer: <https://biology-forums.com/index.php?topic=572435>

Question 313

_____ effects of economic integration are the overall growth in the market and the impact on a company caused by expanding production and by the company's ability to achieve greater economies of scale.

- A) Dynamic
- B) Static
- C) Economic
- D) Barrier

Answer: <https://biology-forums.com/index.php?topic=573055>

Question 314

The top 10 exporting countries are dominated by developing countries.

Answer: <https://biology-forums.com/index.php?topic=572899>

Question 315

Upon selection of an executive for an expatriate posting, the most common predeparture training involves a range of instructive profiles of major aspects of the host country.

Answer: <https://biology-forums.com/index.php?topic=574475>

Question 316

Critics of the Lisbon Treaty primarily argue that the legislation will _____.

- A) reduce national sovereignty
- B) implement trade restrictions
- C) develop a monetary union
- D) weaken decision making

Answer: <https://biology-forums.com/index.php?topic=573067>

Question 317

Generally, HRM is more difficult for international companies for all of the following reasons EXCEPT which one?

- A) Dual career and family obligations make it tough to convince executives to leave the home office to join a foreign subsidiary.
- B) Leadership styles and management practices are so similar from country to country that it is difficult to create a culture of innovation.
- C) Complications arise due to enduring political, cultural, legal, and economic differences between countries.
- D) Labor markets are dramatically different in the mix of workers, costs, and productivity.

Answer: <https://biology-forums.com/index.php?topic=574396>

Question 318

A go/no-go decision means _____.

- A) an individual project decision is based on whether the project meets threshold criteria
- B) projects are ranked and approved from the top of the list down until available resources are exhausted
- C) management reviews existing information and decides whether additional individualized feasibility studies are warranted
- D) projects are approved or disapproved based on the potential ease of divestment

Answer: <https://biology-forums.com/index.php?topic=573724>

Question 319

Research shows that urbanization leads to higher productivity. Which of the following is the LEAST likely reason for this?

- A) Urbanization establishes an inflow of immigrants who will work for less money.
- B) In urban areas, firms can more easily find people with the exact skills they need.
- C) Urbanization allows for economies in moving supplies and finished products.

D) In urban areas, knowledge flows more easily from one company to another and from one industry to another.

Answer: <https://biology-forums.com/index.php?topic=572883>

Question 320

Tanya is a manager at a global firm that has operations located in Brazil, India, and Japan. Tanya is in the process of making a fundamental analysis in order to forecast exchange rates in each country. Which of the following questions is most relevant to Tanya?

- A) What is the cyclical situation in terms of employment and inflation?
- B) Are the government's intervention practices sustainable?
- C) What level of credibility does the government have?
- D) What is the possibility of a national crisis?

Answer: <https://biology-forums.com/index.php?topic=573302>

Question 321

In most cases, if the misery index of a country is high, then consumers and businesses are less likely to spend and invest.

Answer: <https://biology-forums.com/index.php?topic=572816>

Question 322

A freight forwarder performs which of the following functions?

- A) arranging the fastest and cheapest transportation of products to and from foreign suppliers
- B) taking title to the goods it exports and imports from country to country
- C) acting as a sales representative in a foreign market
- D) valuing products that qualify for favorable tariffs

Answer: <https://biology-forums.com/index.php?topic=573825>

Question 323

_____ typically results when demand decreases and supply increases.

- A) Inflation
- B) Chronic inflation
- C) Reflation
- D) Deflation

Answer: <https://biology-forums.com/index.php?topic=572763>

Question 324

Gucci, a maker of luxury fashion and leather goods, plans to expand its sales market. The firm needs to compare countries for the market potential of its products. Which of the following is the best indicator for Gucci to use?

- A) per capita income in each country
- B) population size of each country
- C) the number of millionaires in each country
- D) gross domestic product for each country

Answer: <https://biology-forums.com/index.php?topic=573686>

Question 325

Which of the following statements about Zara is most likely FALSE?

- A) Zara puts fewer products on clearance racks than most of its competitors in the industry.
- B) Zara's large advertising budget generates word-of-mouth and attracts new buyers.
- C) New products and designs are delivered to Zara stores every three to four weeks.
- D) Most of Zara's products move through the firm's distribution center in Spain.

Answer: <https://biology-forums.com/index.php?topic=573564>

Question 326

Totalitarianism is a political ideology that typically involves constant indoctrination of the population by agents of the government to eliminate dissent.

Answer: <https://biology-forums.com/index.php?topic=572695>

Question 327

Meade Clocks has hired an intermediary to manage its export activity. Meade should most likely expect _____.

- A) lower profit margins
- B) greater control over global sales
- C) more responsibility for customer satisfaction
- D) frequent misunderstandings about trade regulations

Answer: <https://biology-forums.com/index.php?topic=573815>

Question 328

The rule of law holds that governmental authority is legitimately exercised only in accordance with written, publicly disclosed laws that have been appropriately adopted and which are enforced in keeping with established procedure.

Answer: <https://biology-forums.com/index.php?topic=572709>

Question 329

Melissa, a foreign-exchange trader, wants to buy euros from Stephanie. Which of the following is the price at which Melissa is willing to buy euros?

- A) spread
- B) offer
- C) bid
- D) cross rate

Answer: <https://biology-forums.com/index.php?topic=573177>

Question 330

The potential of new entrants in an industry is one of the forces in the Five-Forces Model of Industry Structure.

Answer: <https://biology-forums.com/index.php?topic=573638>

Question 331

The rule of man, a practice that has been in play for millennia, presumes that the law is the will of the ruler, whether the king, czar, raj, or emperor.

Answer: <https://biology-forums.com/index.php?topic=572708>

Question 332

In most cases, trade protectionism makes it easier for a company to buy what it needs and to sell products in global markets.

Answer: <https://biology-forums.com/index.php?topic=572992>

Question 333

An MNE in which new knowledge and capabilities are developed in both domestic and foreign locations, both independently and jointly, and then diffused throughout the worldwide organization, is following a _____ strategy.

- A) transnational
- B) multidomestic
- C) global
- D) matrix

Answer: <https://biology-forums.com/index.php?topic=573631>

Question 334

Vertical integration occurs when the company owns the entire supplier network or at least a significant part of it.

Answer: <https://biology-forums.com/index.php?topic=574274>

Question 335

In the spot market, the _____ is the difference between the bid and offer rates and is the trader's profit margin.

- A) bid
- B) offer
- C) cross rate
- D) spread

Answer: <https://biology-forums.com/index.php?topic=573175>

Question 336

Hard currencies are usually _____.

- A) not fully convertible
- B) undesirable assets
- C) highly liquid
- D) unstable

Answer: <https://biology-forums.com/index.php?topic=573276>

Question 337

In a short essay, list and discuss the nontariff barriers that relate to direct price influences: subsidies, aid and loans, customs valuations, and other

direct price influences.

Answer: <https://biology-forums.com/index.php?topic=573032>

Question 338

Tommy Hilfiger has encountered some European resistance to the sale of its products because _____.

- A) many European consumers associate France and Italy, rather than the U.S., with upscale fashions
- B) its customary prices, especially for the German market, have been out of reach for its target market
- C) it has refused to adjust products to fit the tastes and needs of local consumers
- D) it has depended on self-service in its company-owned stores

Answer: <https://biology-forums.com/index.php?topic=574079>

Question 339

Most U.S. companies have moved from a total quality management (TQM) approach to an acceptable quality level (AQL) approach.

Answer: <https://biology-forums.com/index.php?topic=574269>

Question 340

A multidomestic configuration is most important when _____.

- A) demand in individual countries decreases significantly
- B) exporting is the company's main strategy
- C) demand in individual countries becomes significant
- D) low-priced, standardized products are available

Answer: <https://biology-forums.com/index.php?topic=574211>

Question 341

What is international business? What are the primary reasons that companies engage in international business?

Answer: <https://biology-forums.com/index.php?topic=572517>

Question 342

Which of the following is NOT a likely reason for companies to act more ethically?

- A) Consumer boycotts may result from unethical corporate behavior.
- B) Irresponsible and unethical actions may lead to legal problems for MNEs.
- C) Unethical or irresponsible behavior can negatively impact employee morale.
- D) The U.N. Global Compact enforces fines on global firms that fail to act ethically.

Answer: <https://biology-forums.com/index.php?topic=573514>

Question 343

The International Fisher Effect implies that _____.

- A) the country with the higher interest rate should have lower inflation
- B) the currency of the country with the lower interest rate will strengthen in the future
- C) the currency of the country with the higher interest rate will strengthen in the future
- D) interest rates and inflation are not linked at all

Answer: <https://biology-forums.com/index.php?topic=573290>

Question 344

All of the following are reasons that foreign investment may stimulate exports from the home (donor) country EXCEPT which of the following?

- A) The investor often sends home-country components to its facilities abroad.
- B) The investor often sends home-country equipment to its facilities abroad.
- C) Home-country aid usually goes where the investments are made.
- D) The foreign facility is adept at selling the investors' home country products.

Answer: <https://biology-forums.com/index.php?topic=572881>

Question 345

Companies often face problems repatriating executives from foreign assignments to the home nation due to which of the following?

- A) The vacant position cannot be filled overseas.
- B) The firm must increase compensation substantially.
- C) Different departments compete excessively to hire the repatriated manager.
- D) The returning expatriate has less social status and autonomy than when abroad.

Answer: <https://biology-forums.com/index.php?topic=574447>

Question 346

Which of the following describes a company's strategy of moving first to those countries where local competitors are most likely to catch up to the firm's innovative advantage?

- A) lead country strategy
- B) imitation lag strategy
- C) oligopolistic reaction strategy
- D) liability of foreignness strategy

Answer: <https://biology-forums.com/index.php?topic=573705>

Question 347

Avery Designs is an MNE with a diverse portfolio of products including cookware and clothing. Both the foreign and domestic operations for the firm's cookware products report to the same manager. Which structure is most likely used by Avery?

- A) matrix division
- B) product division
- C) international division
- D) geographic division

Answer: <https://biology-forums.com/index.php?topic=574001>

Question 348

Between now and 2050, countries undergoing a simultaneous population reduction and an increased percentage of retirees in the population most likely will need more _____.

- A) imports
- B) immigrants
- C) domestic products
- D) favorable balances of trade

Answer: <https://biology-forums.com/index.php?topic=572871>

Question 349

In a short essay, discuss the theory of absolute advantage and the reasons a country's efficiency improves based on this theory.

Answer: <https://biology-forums.com/index.php?topic=572920>

Question 350

A _____ structure is the ideal way to organize work when global integration is more important than local responsiveness and the industry structure encourages cost leadership.

- A) decentralized
- B) matrix
- C) divisional
- D) functional

Answer: <https://biology-forums.com/index.php?topic=573992>

Question 351

Globalization of business has been stimulated by institutional developments that aid foreign trade and investment.

Answer: <https://biology-forums.com/index.php?topic=572490>

Question 352

Which of the following statements about the euro is true?

- A) It was adopted by all existing EU members when it was first initiated.
- B) It must be adopted by countries as a precondition to joining the EU.
- C) It cannot be used by countries that are not members of the EU.
- D) It was designed to eliminate currency as a barrier to trade in the EU.

Answer: <https://biology-forums.com/index.php?topic=573069>

Question 353

What methods are used by managers to forecast exchange rates? What are the main factors that influence exchange rates?

Answer: <https://biology-forums.com/index.php?topic=573346>

Question 354

In general terms, we see the principles of horizontal differentiation in the design logic of _____.

- A) vertical differentiation
- B) decentralization
- C) the value chain
- D) the unity-of-command principle

Answer: <https://biology-forums.com/index.php?topic=573990>

Question 355

In designing an export plan, managers initially do all of the following EXCEPT _____.

- A) sequence tactics
- B) specify objectives
- C) identify useful resources
- D) organize financial support

Answer: <https://biology-forums.com/index.php?topic=573804>

Question 356

None of the new members of the EU has yet been allowed to adopt the euro as its currency.

Answer: <https://biology-forums.com/index.php?topic=573314>

Question 357

The HRM requirements of a(n) _____ strategy are well matched with a geocentric staffing policy.

- A) multidomestic
- B) transnational
- C) domestic
- D) international

Answer: <https://biology-forums.com/index.php?topic=574426>

Question 358

Eight of the top 10 exporting and importing countries are countries with _____.

- A) cheap labor forces
- B) small land masses
- C) natural advantages
- D) developed economies

Answer: <https://biology-forums.com/index.php?topic=572849>

Question 359

A major force leading to the convergence of accounting standards is _____.

- A) a shareholder orientation towards FDI
- B) the global separation of capital markets
- C) MNEs' needs for foreign capital
- D) pressures from the EU

Answer: <https://biology-forums.com/index.php?topic=574318>

Question 360

What are the three main types of exporters? What are the three main types of importers? Briefly describe the characteristics of each.

Answer: <https://biology-forums.com/index.php?topic=573869>

Question 361

In some collectivist systems, such as Venezuela, politicians control media outlets and limit individual property rights in order to acquire power in the business environment.

Answer: <https://biology-forums.com/index.php?topic=572689>

Question 362

Studies indicate that employee morale is largely unaffected by a company's corporate behavior.

Answer: <https://biology-forums.com/index.php?topic=573549>

Question 363

Judson Baked Goods, a U.S. firm, grants the use of its trademark to a company in Sweden and provides the Swedish company with operational assistance on a continuing basis. Judson is most likely involved in _____.

- A) a management contract

- B) franchising
- C) offshoring
- D) appropriability

Answer: <https://biology-forums.com/index.php?topic=573908>

Question 364

Another source of financing, in which an investor takes an ownership position in return for shares of stock in the company and the promises of capital gains, is called debt financing.

Answer: <https://biology-forums.com/index.php?topic=573439>

Question 365

In a concentration strategy of foreign expansion, a company would go to _____.

- A) many countries very rapidly, and then build up slowly in each
- B) a foreign country with one product and not sell other products in that country until a target market share is reached
- C) a reporting system that measures performance on a regional rather than a country-by-country basis
- D) one or a few foreign countries and build a strong involvement there before going to other countries

Answer: <https://biology-forums.com/index.php?topic=573716>

Question 366

Organizing work differently to improve productivity will likely fail _____.

- A) if the work force has a low tolerance for authoritarianism
- B) if workers participate in planning the improvement
- C) unless changes are compatible to competitor's practices
- D) if changes interfere with strongly held value systems

Answer: <https://biology-forums.com/index.php?topic=572573>

Question 367

A major benefit of the international division structure is _____.

- A) the elimination of conflicts of interest among domestic and foreign operations
- B) the integration of domestic and foreign operations
- C) de-emphasis of economies of scale
- D) cost effectiveness

Answer: <https://biology-forums.com/index.php?topic=573999>

Question 368

According to the text, what is the most common concern that expatriates have before they move overseas?

- A) reestablishing a social life
- B) missing friends and family
- C) learning a foreign language
- D) adapting to the culture

Answer: <https://biology-forums.com/index.php?topic=574434>

Question 369

According to the PLC theory of trade, most new products are produced in countries where wage rates are low.

Answer: <https://biology-forums.com/index.php?topic=572905>

Question 370

Which of the following members of the European Union has NOT adopted the euro?

- A) United Kingdom
- B) Estonia
- C) Germany
- D) Greece

Answer: <https://biology-forums.com/index.php?topic=573070>

Question 371

What is an offshore financial center? What are the main characteristics of OFCs?

Answer: <https://biology-forums.com/index.php?topic=573458>

Question 372

The view that globalization is inevitable is most likely based on the belief that _____.

- A) international organizations will replace nation-states
- B) protesters against globalization will be persuaded to change their views
- C) people want more global homogeneity of cultures
- D) technical advances in transportation and communications are highly persistent

Answer: <https://biology-forums.com/index.php?topic=572476>

Question 373

What is political risk? What is the relationship between political environment and political risk?

Answer: <https://biology-forums.com/index.php?topic=572719>

Question 374

Which of the following is an example of interest arbitrage?

- A) investing in debt instruments in different currencies or different countries
- B) selling U.S. dollars for Swiss francs, then selling Swiss francs for British pounds, then selling British pounds for U.S. dollars
- C) investigating different commercial banks to find the best exchange rate
- D) an American investing in a London-based company

Answer: <https://biology-forums.com/index.php?topic=573204>

Question 375

Assume the following conditions: In the United States it takes 4 units of resources to produce a ton of potatoes and 5 to produce a ton of coal. In Canada it takes 6 units of resources to produce a ton of potatoes and 10 to produce a ton of coal. According to the theory of comparative advantage, _____.

- A) there would be no basis for trade
- B) the United States should import potatoes from Canada and export coal to Canada
- C) the United States should export both potatoes and coal to Canada
- D) the United States should export potatoes to Canada and import coal from Canada

Answer: <https://biology-forums.com/index.php?topic=572842>

Question 376

Managers use a value chain analysis to determine how the company will design, make, move, and sell products; how it will find efficiencies in doing so; and how it will coordinate the decisions in one part of the business with those made in other parts.

Answer: <https://biology-forums.com/index.php?topic=573644>

Question 377

The rationale for the infant-industry argument for trade protection is that _____.

- A) incubator centers in which business, government, and academia cooperate will develop entrepreneurial companies
- B) a country should give one firm in an industry a monopoly status so that it will grow large enough to be competitive internationally
- C) it takes time for an industry to become competitive in world markets, so protection is needed to help this industry pass through the critical period
- D) lower restrictions should be placed on products coming from countries where a government has a large sphere of political influence

Answer: <https://biology-forums.com/index.php?topic=572940>

Question 378

Which of the following ideas holds that a government should NOT interfere in business affairs?

- A) collectivism
- B) laissez-faire
- C) the rule of man
- D) pluralism

Answer: <https://biology-forums.com/index.php?topic=572630>

Question 379

Which of the following is a set of universal standards for a globally accepted quality assurance system?

- A) just-in-time (JIT) inventory management
- B) Six Sigma
- C) total quality management (TQM)
- D) ISO 9000

Answer: <https://biology-forums.com/index.php?topic=574229>

Question 380

Companies that have integrated their supply chains internationally tend to lobby their home governments for increased protectionist measures.

Answer: <https://biology-forums.com/index.php?topic=573019>

Question 381

During a time of reflation, the government is most likely to _____.

- A) lower taxes
- B) print money
- C) reduce interest rates
- D) support infrastructure

Answer: <https://biology-forums.com/index.php?topic=572785>

Question 382

Assume that U.S. companies are importing the same product from Mexico and Taiwan. The United States enters into an FTA with Mexico but not with Taiwan. Consequently, the United States begins to import more goods from Mexico (due to lower tariffs) than from Taiwan, even though the Mexican products are not any better or cheaper. This is most likely an example of _____.

- A) trade specialization
- B) trade internalization
- C) trade creation
- D) trade diversion

Answer: <https://biology-forums.com/index.php?topic=573060>

Question 383

Published government data is most often inaccurate because of translation errors from other countries' languages.

Answer: <https://biology-forums.com/index.php?topic=573751>

Question 384

In a short essay, discuss gap analysis.

Answer: <https://biology-forums.com/index.php?topic=574193>

Question 385

The pound-dollar forward rate for pounds is \$1.9068, and the spot rate is \$1.9059. Pounds are selling at a _____.

- A) discounted premium
- B) backward discount
- C) forward premium
- D) forward discount

Answer: <https://biology-forums.com/index.php?topic=573181>

Question 386

Wharton Enterprises, a U.S. firm, manufactures small kitchen appliances. The firm has recently developed an innovative blender design that Wharton executives anticipate being very profitable. Currently, Wharton has production facilities in the U.S. and China. Wharton executives are trying to determine where the new product should be manufactured. Which of the following best supports a decision to manufacture the new product in the U.S. instead of China?

- A) Intellectual property rights are strongly protected by U.S. patent laws.
- B) A strategic marketing plan can be quickly developed in the U.S.
- C) Contract enforcement is a simple process in the U.S.
- D) The U.S. is experiencing an economic recession.

Answer: <https://biology-forums.com/index.php?topic=572685>

Question 387

All of the following are part of the global financial system except the _____.

- A) New York Stock Exchange
- B) World Trade Organization
- C) International Monetary Fund
- D) Bank for International Settlements

Answer: <https://biology-forums.com/index.php?topic=573355>

Question 388

The largest market in foreign exchange is in London.

Answer: <https://biology-forums.com/index.php?topic=573217>

Question 389

Countries with a theocratic legal system encourage precise, detailed contracts whereas countries with a common legal system encourage shorter and less specific contracts.

Answer: <https://biology-forums.com/index.php?topic=572711>

Question 390

Purchasing power parity (PPP) is a well-known theory that seeks to define relationships between currencies.

Answer: <https://biology-forums.com/index.php?topic=573325>

Question 391

Which of the following is an example of an exclusive license agreement?

- A) Three licensees have worldwide rights to sell the product worldwide for three years, during which time no other companies can use the asset.
- B) The licensee is currently the only company using the intangible property, but the licensor has rights to add other licensees.
- C) One licensee gets rights for the north island of New Zealand, a second licensee gets rights for the south island of New Zealand, and the licensor agrees to add no new licensees to New Zealand for the next five years.
- D) The licensee and licensor use the property in the same market.

Answer: <https://biology-forums.com/index.php?topic=573902>

Question 392

What is extraterritoriality? Why is the concept controversial?

Answer: <https://biology-forums.com/index.php?topic=573557>

Question 393

Tests to substantiate the factor proportions theory have had mixed results most likely because _____.

- A) labor migration quickly outdates any studies
- B) most countries have a favorable balance of trade
- C) labor skills and education are not homogeneous
- D) large and small countries have different trade policies

Answer: <https://biology-forums.com/index.php?topic=572852>

Question 394

Barton Accessories has two retail stores and one production facility where the firm's line of leather belts and purses are assembled. Barton employs 430 people and generates nearly \$1 million in revenue each year through domestic and international sales. Which term best describes the status of Barton?

- A) SME
- B) MNE
- C) MNC
- D) FDI

Answer: <https://biology-forums.com/index.php?topic=573791>

Question 395

The Washington Consensus promotes democracy, freedom, the rule of man, and human rights.

Answer: <https://biology-forums.com/index.php?topic=572700>

Question 396

Encouraging ethical behavior for the purpose of developing competitive advantages will most likely result in all of the following for a firm EXCEPT _____.

- A) strategic accomplishment
- B) consumer commitment
- C) industry resolutions
- D) financial success

Answer: <https://biology-forums.com/index.php?topic=573481>

Question 397

The countries most likely to be successful at using trade retaliation are large trading countries.

Answer: <https://biology-forums.com/index.php?topic=572995>

Question 398

What is the International Monetary Fund (IMF)? What are its objectives? What occurs when a country joins the IMF today?

Answer: <https://biology-forums.com/index.php?topic=573340>

Question 399

Historically, companies searching their ranks for potential expatriates looked first for individuals with the necessary language proficiency and then evaluated their technical competence.

Answer: <https://biology-forums.com/index.php?topic=574471>

Question 400

Which of the following is most typical of a command economy?

- A) Consumers have choices of many substitutes for any given product.
- B) Quality of products and services tends to be consistent.
- C) The prices of goods and services frequently change.
- D) Many products are usually in short supply.

Answer: <https://biology-forums.com/index.php?topic=572744>

Question 401

Which of the following statements is most likely true?

- A) Consumers in most countries believe that imported products are better than locally made products.
- B) Brand names have little impact on perceptions about a product's country-of-origin.
- C) Consumers in most countries favor locally made products over imported products.
- D) A positive brand image helps overcome negative perceptions about a product's country-of-origin.

Answer: <https://biology-forums.com/index.php?topic=574137>

Question 402

Exporting is usually more feasible when transportation costs are high rather than low in relation to production costs.

Answer: <https://biology-forums.com/index.php?topic=573937>

Question 403

In a command economy, the goods and services that a country produces, the quantity in which they are produced, and the prices at which they are sold are planned by _____.

- A) government officials
- B) private industries
- C) individual entrepreneurs
- D) local trade associations

Answer: <https://biology-forums.com/index.php?topic=572741>

Question 404

In deciding whether to make or buy, MNEs should focus on those parts that are _____ to the product and that they are _____ at making.

- A) critical; distinctively good
- B) incremental; distinctively good
- C) critical; marginally good
- D) incremental; marginally good

Answer: <https://biology-forums.com/index.php?topic=574237>

Question 405

Which of the following has extensive banking activities involving short-term financial transactions?

- A) booking center
- B) operational center
- C) foreign-exchange market
- D) international regulatory market

Answer: <https://biology-forums.com/index.php?topic=573409>

Question 406

What problems are common with the published data available about different countries?

Answer: <https://biology-forums.com/index.php?topic=573771>

Question 407

Which of the following is most likely a true statement about the global economy since the 1980s?

- A) Socialist governments are intervening more in global exchanges.
- B) Wealthy countries are exercising total control over emerging markets.
- C) Developing countries are losing growing shares of their foreign-exchange reserves.
- D) Emerging economies are adopting the principles and practices of free markets.

Answer: <https://biology-forums.com/index.php?topic=572728>

Question 408

It is generally agreed that because of technical advancements, managers will not need face-to-face communication in the future.

Answer: <https://biology-forums.com/index.php?topic=573762>

Question 409

Which of the following firms would most likely be involved in a turnkey operation?

- A) American Airlines
- B) Bechtel Construction
- C) Burger King
- D) Microsoft

Answer: <https://biology-forums.com/index.php?topic=573917>

Question 410

What types of employees are increasingly being chosen for expatriate assignments? What characteristics are firms seeking when selecting expatriates?

Answer: <https://biology-forums.com/index.php?topic=574510>

Question 411

Chapman Enterprises is an MNE that markets a diverse portfolio of products including jewelry, luggage, and furniture. Which structure would most likely be used by Chapman?

- A) international division
- B) functional division
- C) geographic division
- D) product division

Answer: <https://biology-forums.com/index.php?topic=574000>

Question 412

Why do companies engage in international harvesting or divestment?

Answer: <https://biology-forums.com/index.php?topic=573775>

Question 413

A firm that begins operating in a culturally similar foreign country will most likely face few necessary cultural adjustments.

Answer: <https://biology-forums.com/index.php?topic=572611>

Question 414

Assume a U.S. firm plans to expand into Mexico, Germany, or Japan. Its executives are traveling to each country to meet with local businesspeople in the decision-making process. Which of the following would be LEAST beneficial when the executives make a presentation?

- A) requesting a translator with technical vocabulary knowledge
- B) simplifying vocabulary and terminology for the audience
- C) conducting back translations for written work
- D) avoiding repetition to prevent boredom

Answer: <https://biology-forums.com/index.php?topic=572587>

Question 415

Six Sigma is a highly focused system of quality control that scrutinizes a company's entire production system.

Answer: <https://biology-forums.com/index.php?topic=574270>

Question 416

The term brain drain describes the export of high-technology products in exchange for low-technology products.

Answer: <https://biology-forums.com/index.php?topic=572914>

Question 417

What is globalization? What modes of international business are used by firms that want to globalize? Briefly describe each method.

Answer: <https://biology-forums.com/index.php?topic=572519>

Question 418

A distinct advantage of an international strategy is _____.

- A) transferring core competencies to foreign markets
- B) reaping benefits of global learning
- C) customizing product offerings to local conditions
- D) leveraging local managers' knowledge of their markets

Answer: <https://biology-forums.com/index.php?topic=573621>

Question 419

Assume the per capita consumption of shoes is three pairs in Country A and two pairs in Country B. The difference probably means that there is a _____ gap in Country B.

- A) product line
- B) usage
- C) distribution
- D) competitive

Answer: <https://biology-forums.com/index.php?topic=574148>

Question 420

Why are third-country nationals increasingly being used to fill expatriate assignments? How do third-country nationals fit into the concept of geocentrism?

Answer: <https://biology-forums.com/index.php?topic=574517>

Question 421

A document requesting payment 30 days after delivery is known as a _____.

- A) time draft
- B) sight draft
- C) spot draft
- D) futures draft

Answer: <https://biology-forums.com/index.php?topic=573197>

Question 422

There is a positive correlation between economic freedom and economic growth.

Answer: <https://biology-forums.com/index.php?topic=572810>

Question 423

Which of the following is the primary limitation of the transnational strategy?

- A) poor local adaptation
- B) cross-unit coordination difficulties
- C) duplication of subsidiary activities
- D) inability to leverage core competencies

Answer: <https://biology-forums.com/index.php?topic=573632>

Question 424

What are the characteristics of the spot market? What institutions handle spot exchanges?

Answer: <https://biology-forums.com/index.php?topic=573241>

Question 425

What is the LEAST likely reason that MNEs set arbitrary transfer prices?

- A) take advantage of tax differences between countries
- B) achieve economies of scale on a global level
- C) circumvent national controls
- D) manipulate profits

Answer: <https://biology-forums.com/index.php?topic=574344>

Question 426

The manufacturing plants of Orion Computers are located closer to customers rather than in low-wage areas. What is the most likely reason for this strategy?

- A) competitor locations in emerging markets
- B) overseas producers with innovative designs
- C) customer demand for dependability
- D) diversification of product lines

Answer: <https://biology-forums.com/index.php?topic=574208>

Question 427

Which of the following is a condition that powered the worldwide spread of democracy from 1970 onward?

- A) Totalitarian regimes delivered acceptable economic progress to their populations.
- B) Economic advances caused contentment among the working class and minimized the need to push for democratic reforms.
- C) Many groups were able to successfully challenge the legitimacy of democratic systems.
- D) Information and communications technologies broke down the ability of the state to control access to uncensored information, especially that from foreign sources.

Answer: <https://biology-forums.com/index.php?topic=572652>

Question 428

The more partners in a joint venture, the more complex the management of the arrangement will be.

Answer: <https://biology-forums.com/index.php?topic=573959>

Question 429

Which of the following is NOT a reason a company would deal in foreign exchange?

- A) to pay or receive dividends in a foreign currency
- B) to speculate on possible future movements in a currency
- C) to buy and sell merchandise denominated in a foreign currency
- D) to import merchandise denominated in its currency rather than the currency of the exporter

Answer: <https://biology-forums.com/index.php?topic=573194>

Question 430

Which of the following hypothetical examples would be a restriction on the import of services?

- A) The U.S. restricts foreign companies from carrying cargo between two U.S. cities.
- B) Japan restricts North Koreans from visiting Tokyo Disneyland.
- C) China does not allow the importation of rice from Thailand.
- D) Canada does not allow Air Canada to buy Brazilian aircraft.

Answer: <https://biology-forums.com/index.php?topic=572980>

Question 431

Which of the following is NOT a disadvantage of the international strategy?

- A) Headquarters can misread foreign-market opportunities and threats.
- B) The transfer of core competencies to foreign markets is complicated by the need to adapt to local needs.
- C) Local subsidiaries are not given the opportunity to adapt value activities and share what they have learned with headquarters.
- D) The company can be blindsided by an unexpectedly innovative rival in a foreign market.

Answer: <https://biology-forums.com/index.php?topic=573619>

Question 432

Which of the following is true about projected demographic changes up to the year 2050 that could affect future production and sales locations?

- A) The share of the working population should rise in developed countries and fall in developing countries.
- B) The growth in per capita GDP should be higher in today's developing economies than in today's developed economies.
- C) The percentage of the world population living in today's developed countries is expected to increase.
- D) The population should fall in sub-Saharan Africa.

Answer: <https://biology-forums.com/index.php?topic=573729>

Question 433

Wharton Enterprises, a U.S. firm, manufactures small kitchen appliances. The firm has recently developed an innovative blender design that Wharton executives anticipate being very profitable. Currently, Wharton has production facilities in the U.S. and China. Wharton executives are trying to determine where the new product should be manufactured. Which of the following questions is most relevant to the decision?

- A) What selection procedures would be best in China?
B) Should expatriates or locals manage the Chinese facility?
C) How can the firm guard against counterfeiting in China?
D) How would China's individualistic system affect the firm?

Answer: <https://biology-forums.com/index.php?topic=572686>

Question 434

What is the difference between licensing and cross-licensing? What factors do firms need to consider before entering into licensing agreements?

Answer: <https://biology-forums.com/index.php?topic=573972>

Question 435

Transparency International, the OECD, and the ICC are all working to stop bribery around the world.

Answer: <https://biology-forums.com/index.php?topic=573541>

Question 436

What is the gray market? Why are companies concerned about it?

Answer: <https://biology-forums.com/index.php?topic=574187>

Question 437

Which of the following countries has the largest market for domestic bonds?

- A) the U.K.
B) the U.S.
C) Japan
D) China

Answer: <https://biology-forums.com/index.php?topic=573376>

Question 438

According to the text, technological advances such as e-mail and VoIP have increased the appeal of international trade because it is now easy and inexpensive to manage customer needs and communicate with customers frequently.

Answer: <https://biology-forums.com/index.php?topic=573865>

Question 439

Managers who take an active approach to political risk management are likely to rely on statistical modeling to quantify the precise degree of political risk.

Answer: <https://biology-forums.com/index.php?topic=572702>

Question 440

Why is it essential for MNEs to consider coordination systems when implementing an organizational structure? Briefly describe each approach to coordination.

Answer: <https://biology-forums.com/index.php?topic=574076>

Question 441

Which of the following statements about approaches to political risk management is NOT true?

- A) Passive political risk management discourages managers from fully or partially hedging their bets against exposure to political hazards.
B) Passive political risk management assumes that it is difficult, if not impossible, to systematically model political risk.
C) Active political risk management assumes that positive and negative political events in any country are neither independent nor random events.
D) Active political risk management assumes that political events unfold in observable patterns that statistical methods can detect.

Answer: <https://biology-forums.com/index.php?topic=572657>

Question 442

When a pharmaceutical company charges a market price in developed countries and a discounted price in developing countries, the company is using partial source pricing.

Answer: <https://biology-forums.com/index.php?topic=573545>

Question 443

How do U.S. companies recognize transaction gains and losses in the financial statements?

- A) They are recognized as gains and losses in the income statement.
B) They are recognized as gains and losses in owners' equity.

C) Gains are recognized in the income statement, but losses are not.
D) Losses are recognized in the income statement, but gains are recognized in owners' equity.
Answer: <https://biology-forums.com/index.php?topic=574323>

Question 444

A quota is a quantitative limit on the amount of a product that can be traded.
Answer: <https://biology-forums.com/index.php?topic=573015>

Question 445

The fact that there are few reciprocal agreements among countries on the licensing of professionals most likely means that _____.
A) universities' study abroad programs do not enable students to obtain dual degrees and licenses from more than one country
B) more service functions are being handled as not-for-profit
C) people immigrate to those countries with the highest standards so as to more easily become licensed anywhere else
D) there is an effective limitation on trade in services
Answer: <https://biology-forums.com/index.php?topic=572981>

Question 446

Producers are affected by exchange rate changes because goods manufactured in a country with a weak currency will be relatively cheap in world markets.
Answer: <https://biology-forums.com/index.php?topic=573337>

Question 447

Which of the following would LEAST likely be caused by a high inflation rate?
A) rules against increasing export prices
B) inability to quote prices in letters or catalogs
C) difficulty making changes to vending machines
D) necessity to set an equivalent value in a stable currency
Answer: <https://biology-forums.com/index.php?topic=574125>

Question 448

Uneven income distribution is largely a problem confined to poorer nations.
Answer: <https://biology-forums.com/index.php?topic=572798>

Question 449

Assume a U.S. company purchases equipment from a German supplier for €37,500 when the exchange rate at the time of the transaction is \$1.5 per euro, or €0.667 per dollar. The U.S. company doesn't have to pay the German supplier until the end of the month, at which time the euro is now worth only \$1.49 per euro or €0.671 per dollar. According to U.S. GAAP, the equipment would be valued at _____.
A) \$25,167
B) \$25,000
C) \$56,250
D) \$55,875
Answer: <https://biology-forums.com/index.php?topic=574325>

Question 450

Which of the following statements about GE and its "Green is Green" movement is true?
A) GE is responding in part to the fact that it is operating in many countries which require compliance with higher environmental standards than exist in the United States.
B) GE has decided to develop new products that are environmentally friendly rather than adopt internal policies to reduce greenhouse gas emissions.
C) GE has moved aggressively to reduce greenhouse gas usage internally but has not been able to develop commercially viable "clean" technologies.
D) GE considered joining the U.S. Climate Action Partnership but decided the group was too radical in its approach to reducing greenhouse gas emissions.
Answer: <https://biology-forums.com/index.php?topic=573467>

Question 451

Which of the following is an example of an acquired group membership?
A) national origin
B) religion
C) gender
D) race

Answer: <https://biology-forums.com/index.php?topic=572545>

Question 452

Contrast common law, civil law, customary law, and theocratic law.

Answer: <https://biology-forums.com/index.php?topic=572721>

Question 453

Assume a U.S. company sells merchandise to a French customer for \$200,000 when the exchange rate is \$1.5 per euro. At the end of the month, the euro is trading at 1.47, and in the middle of the next month when payment is received, the exchange rate is 1.53. If the U.S. company receives payment in dollars, what is the value of the sale at the end of the month for the U.S. company?

- A) \$200,000
- B) \$294,000
- C) \$300,000
- D) \$306,000

Answer: <https://biology-forums.com/index.php?topic=574324>

Question 454

What are foreign trade zones? How are they used?

Answer: <https://biology-forums.com/index.php?topic=574289>

Question 455

According to the text, which of the following has resulted from GE's Ecomagination initiative?

- A) rising profitability for many GE products
- B) increasing doubt among GE's foreign partners
- C) reducing investments by GE due to poor returns
- D) improving pollution levels near GE plants in China

Answer: <https://biology-forums.com/index.php?topic=573465>

Question 456

Market economies are primarily characterized by _____.

- A) formal cooperation among government, companies, and workers to achieve stable growth
- B) heavy government spending and high taxation to pay for a range of social services
- C) minimal governmental participation
- D) restricted consumer powers

Answer: <https://biology-forums.com/index.php?topic=572740>

Question 457

Vanessa, a manager at an MNE, has been given the task of measuring the firm's performance by using the balanced scorecard approach. Which of the following would be best for Vanessa?

- A) review financial and nonfinancial factors broadly
- B) create a multidomestic strategy for the future
- C) closely compare industry and firm standards
- D) calculate the firm's return on investment

Answer: <https://biology-forums.com/index.php?topic=574350>

Question 458

A problem of advertising through media that reach multiple countries is that the product may not be available everywhere it is advertised.

Answer: <https://biology-forums.com/index.php?topic=574173>

Question 459

Anderson Enterprises is a U.S. firm that manufactures light fixtures for commercial and residential consumers. Anderson is looking to expand internationally, so the firm should most likely _____.

- A) focus on developing new recruitment strategies and selection tests
- B) change their organizational structure to fit the norms of the foreign country
- C) disregard changes in trading groups because they have little effect on a company
- D) look to expand beyond the triad regions currently controlled by the top 500 MNEs

Answer: <https://biology-forums.com/index.php?topic=573040>

Question 460

What motivations do companies have to act responsibly? How can codes of conduct help firms to act ethically?

Answer: <https://biology-forums.com/index.php?topic=573561>

Question 461

Patents, copyrights, and trademarks are all examples of property rights that may be licensed to one company from another.

Answer: <https://biology-forums.com/index.php?topic=573949>

Question 462

A company that adapts its marketing to foreign differences without deviating very much from its experience is following a customer orientation.

Answer: <https://biology-forums.com/index.php?topic=574157>

Question 463

Which of the following assumptions was made in the original theories of absolute and comparative advantage?

- A) Specialized labor seeks efficiency.
- B) Labor resources are fully employed.
- C) Countries pursue objectives other than economic efficiency.
- D) Production networks enable countries to concentrate on particular functions.

Answer: <https://biology-forums.com/index.php?topic=572843>

Question 464

If a company from Country A decides to sell merchandise to a company from Country B, then the company from Country A _____.

- A) will denominate the sale in its own currency since it is too hard to convert foreign currency
- B) will denominate the sale in the currency of the buyer since it is too hard for them to convert foreign currency
- C) can denominate the sale in either currency and use the foreign-exchange market to convert currency
- D) can use the OTC market to convert receipts in the future and the exchange markets to convert receipts in the spot market

Answer: <https://biology-forums.com/index.php?topic=573193>

Question 465

Which of the following is an argument for using a collaborative agreement?

- A) to prevent problems caused by minority shareholders
- B) to preserve a concentration strategy
- C) to secure vertical and horizontal links
- D) to maintain better control

Answer: <https://biology-forums.com/index.php?topic=573892>

Question 466

What is the primary difficulty associated with dismantling developed countries' agricultural subsidies?

- A) Rural areas in the United States, the European Union, and Japan are disproportionately represented in their governments.
- B) Developing countries put pressure on developed countries to maintain the subsidies so that they receive food products at a lower price.
- C) The subsidies are used to counter the commodity agreements set up mainly by developing countries.
- D) The subsidies are at the consumer, rather than producer, level, and everyone benefits from the lower prices.

Answer: <https://biology-forums.com/index.php?topic=572972>

Question 467

Some MNEs that have tried contemporary structures have run into problems, most notably _____.

- A) frequent managerial intervention in decision making
- B) relentless centralization of decision making
- C) employees too motivated by bonuses
- D) resource competition

Answer: <https://biology-forums.com/index.php?topic=574019>

Question 468

Which of the following statements is NOT true about risk as it affects companies' choice of locations for foreign operations?

- A) Companies and their managers differ in their perception of what is risky.
- B) One company's risk may be another company's opportunity.
- C) There are means to reduce risk other than avoiding locations.
- D) Companies choose the cheapest location regardless of risks.

Answer: <https://biology-forums.com/index.php?topic=573692>

Question 469

The International Fisher Effect links interest rates and exchange rates.

Answer: <https://biology-forums.com/index.php?topic=573328>

Question 470

Which of the following is NOT one of the common ways that trade intermediaries are paid by exporters?

- A) commission rate
- B) buy-sell basis
- C) fixed salary
- D) special event contribution

Answer: <https://biology-forums.com/index.php?topic=573813>

Question 471

Albert, an employee at Morgan Stanley, has been given the task of handling the foreign exchange for a customer who is moving from Brazil to Switzerland in one week. Which of the following should Albert most likely use when exchanging the client's Brazilian real for Swiss francs?

- A) spot rate
- B) cross rate
- C) currency option
- D) current U.S. rate

Answer: <https://biology-forums.com/index.php?topic=573169>

Question 472

In which quadrant of a disclosure/assessment matrix for accounting systems would you most likely find less-developed Latin countries?

- A) conservatism and secrecy
- B) transparency and conservatism
- C) secrecy and transparency
- D) optimism and secrecy

Answer: <https://biology-forums.com/index.php?topic=574307>

Question 473

A company's value chain is best described as the _____.

- A) variable sequence of converting product ideas into value for shareholders
- B) mixture of activities taken to define product value standards and price points
- C) discrete series of steps taken to move a product from conception to end-users
- D) blueprint that must be followed to leverage the core capabilities of a global firm

Answer: <https://biology-forums.com/index.php?topic=573596>

Question 474

What is the difference between a classical structure and a neoclassical structure? Provide examples of each type.

Answer: <https://biology-forums.com/index.php?topic=574074>

Question 475

What is a master franchise?

- A) the original agreement between the franchisor and franchisee
- B) the franchisee with the highest revenue in a region
- C) a franchisee with rights to open outlets on its own or develop subfranchises
- D) the set of standard terms regulating the relationship between franchisor and franchisee

Answer: <https://biology-forums.com/index.php?topic=573909>

Question 476

Different country standards, such as safety regulations, add complexity to whether companies decide to use a globally standardized product.

Answer: <https://biology-forums.com/index.php?topic=574162>

Question 477

A major challenge faced by Western Union in wiring money between the United States and Mexico is that _____.

- A) it can only transfer funds in one direction
- B) it is facing competition from some commercial banks
- C) Mexican citizens do not like to use its services because it does not have strong ties with Mexican banks

D) Mexican citizens trust the banks but do not trust Western Union due to its heritage as a Western bank

Answer: <https://biology-forums.com/index.php?topic=573138>

Question 478

Which of the following is the LEAST likely characteristic of neoclassical structures?

- A) few barriers between people
- B) extensive collaborative efforts
- C) higher capacity for change and learning
- D) centralized decision making

Answer: <https://biology-forums.com/index.php?topic=574010>

Question 479

Countries with large land areas are generally less dependent on trade than countries with small land areas because of _____.

- A) highly restricted economic scales
- B) self-sufficiency with natural resources
- C) higher transportation costs related to foreign trade
- D) the development of unique products that have a limited demand

Answer: <https://biology-forums.com/index.php?topic=572848>

Question 480

Gibson Enterprises is an MNE that relies on just-in-time inventory management and lean manufacturing systems to optimize quality and efficiency. For the last few years, Gibson has used the same foreign sources for its raw materials. What is the most likely risk faced by Gibson because of foreign sourcing?

- A) quality of incoming inventory
- B) uncertainty of arriving parts
- C) few available suppliers
- D) high inventory costs

Answer: <https://biology-forums.com/index.php?topic=574245>

Question 481

Although the European Union is a common market, member countries have different economic growth rates.

Answer: <https://biology-forums.com/index.php?topic=573116>

Question 482

Collaborative agreements allow companies to specialize more in those activities that best fit their competencies.

Answer: <https://biology-forums.com/index.php?topic=573942>

Question 483

Pressures for local responsiveness are especially important in industries where value creation is a function of a company's capacity to adapt to local market conditions.

Answer: <https://biology-forums.com/index.php?topic=573652>

Question 484

Although countries are similar in terms of having a mandatory retirement age, they differ in what that age is.

Answer: <https://biology-forums.com/index.php?topic=572600>

Question 485

Assume a firm plans to expand internationally. If its managers wish to avoid pitfalls caused by differences in "silent language," they should consider differences in _____.

- A) normal proximity during conversations
- B) degree of detail expected in written contract
- C) the meaning of slang words during presentations
- D) importance of adherence to schedules

Answer: <https://biology-forums.com/index.php?topic=572586>

Question 486

According to research, which of the following countries is the strongest supporter of free markets?

- A) China
- B) India

- C) France
- D) Ukraine

Answer: <https://biology-forums.com/index.php?topic=572735>

Question 487

The so-called "misery index" is the sum of a country's _____.

- A) foreign and national debt
- B) inflation and unemployment rates
- C) unemployment level and total debt
- D) trade deficit and long-term inflation rate

Answer: <https://biology-forums.com/index.php?topic=572765>

Question 488

Which of the following is a characteristic of the Eurocurrency market?

- A) The Eurocurrency market is both short and medium term.
- B) Private borrowers are the major players in the Eurocurrency market.
- C) The Eurocurrency market is a retail, rather than wholesale, market.
- D) The interest rates in the Eurocurrency market are about the same as in domestic markets.

Answer: <https://biology-forums.com/index.php?topic=573370>

Question 489

Which of the following best explains why U.S. firms typically place earlier and greater emphasis on expansion into Canada and the U.K.?

- A) most significant sales opportunities
- B) similarities in culture and legal systems
- C) availability of necessary natural resources
- D) government incentives for allied nations

Answer: <https://biology-forums.com/index.php?topic=573700>

Question 490

The primary objective of multinational tax planning is to minimize the firm's worldwide tax burden.

Answer: <https://biology-forums.com/index.php?topic=573447>

Question 491

Losses to companies from natural disasters are much less risky than losses from operating in violent areas.

Answer: <https://biology-forums.com/index.php?topic=573746>

Question 492

Luxury products are the most likely types of products to behave according to the product life cycle theory of trade.

Answer: <https://biology-forums.com/index.php?topic=572906>

Question 493

The financial reports and information provided by businesses is primarily used by all of the following EXCEPT _____.

- A) educators
- B) investors
- C) creditors
- D) lenders

Answer: <https://biology-forums.com/index.php?topic=574297>

Question 494

Collaborative arrangements prevent the possibility of information being passed to potential competitors.

Answer: <https://biology-forums.com/index.php?topic=573944>

Question 495

The World Bank reports that approximately _____ percent of the world's population is poor.

- A) 50
- B) 33
- C) 80
- D) 95

Answer: <https://biology-forums.com/index.php?topic=572770>

Question 496

Define price escalation in exporting and explain why it occurs.

Answer: <https://biology-forums.com/index.php?topic=574186>

Question 497

An advocate of the legal-justification standard would most likely assert that the law _____.

- A) develops slowly in response to evolving societal dilemmas
- B) protects business activities that are unethical but not illegal
- C) contains enforceable rules that apply to everyone
- D) offers necessary moral flexibility for a society

Answer: <https://biology-forums.com/index.php?topic=573489>

Question 498

How do exchange rates affect budgets used to evaluate performance in MNEs?

Answer: <https://biology-forums.com/index.php?topic=574388>

Question 499

Dependencia theory holds that _____.

- A) countries should seek to diversify their economies
- B) low-income countries have practically no power in dealings with MNEs
- C) in a globalized world, no nation can be independent economically or politically
- D) there is a natural division of labor whereby developing countries depend on production using fairly unskilled labor and developed countries depend on highly educated workers

Answer: <https://biology-forums.com/index.php?topic=573900>

Question 500

A divisional structure tends to be adopted by firms that are diversified by products or markets.

Answer: <https://biology-forums.com/index.php?topic=574047>

Question 501

Duty-free zones are special locations for storing domestic and imported inventory in order to avoid paying duties until the inventory is sold.

Answer: <https://biology-forums.com/index.php?topic=574280>

Question 502

The best way for a Euroequity to get a listing in the United States is to issue a Global Depositary Receipt.

Answer: <https://biology-forums.com/index.php?topic=573444>

Question 503

What difficulties of exporting can be minimized by customs brokers?

Answer: <https://biology-forums.com/index.php?topic=573870>

Question 504

Which of the following is characterized by low dependence on an organization and a desire for personal time, freedom, and challenges?

- A) collectivism
- B) democracy
- C) individualism
- D) anarchy

Answer: <https://biology-forums.com/index.php?topic=572552>

Question 505

According to the text, which currency is expected to experience the most change in the upcoming years?

- A) yen
- B) yuan
- C) euro
- D) U.S. dollar

Answer: <https://biology-forums.com/index.php?topic=573309>

Question 506

Which of the following most likely complicates ethical behavior for firms that expand overseas?

- A) local laws and values
- B) expatriate management
- C) unstable financial settings
- D) international codes of conduct

Answer: <https://biology-forums.com/index.php?topic=573478>

Question 507

Jack, an American accounts manager, is preparing a presentation for a group of Japanese business people. Jack's presentation would be most effective if he _____.

- A) told an opening joke to put everyone at ease
- B) used slang to create an informal atmosphere
- C) used long words to impress his counterparts
- D) budgeted extra time for translation and clarification

Answer: <https://biology-forums.com/index.php?topic=572565>

Question 508

Which force in Toyota's immediate environment would most likely have the greatest impact on its strategy?

- A) interest rate trends
- B) technology developments
- C) shifts in U.S. political attitudes
- D) actions taken by Honda and Mercedes Benz

Answer: <https://biology-forums.com/index.php?topic=573568>

Question 509

An MNE would most likely benefit from converting local currency into its home-country currency when exchange rates are most favorable so it can maximize its return.

Answer: <https://biology-forums.com/index.php?topic=573336>

Question 510

A criticism of globalization is that as economic growth increases, too many nonrenewable resources are used.

Answer: <https://biology-forums.com/index.php?topic=572499>

Question 511

As a leading exporter of luxury automobiles, Germany has built a strong reputation in engineering. Germany's trade most likely relies on a(n) _____.

- A) outward immigration restriction
- B) natural advantage
- C) acquired advantage
- D) neomercantilist policy

Answer: <https://biology-forums.com/index.php?topic=572837>

Question 512

The benefits of managerial visits to foreign subsidiaries can easily be replicated with frequently submitted and reviewed operational reports and schedules.

Answer: <https://biology-forums.com/index.php?topic=574061>

Question 513

All of the following are common problems associated with exporting and importing EXCEPT _____.

- A) managing financial risks
- B) finding reliable intermediaries
- C) matching foreign rivals' prices
- D) establishing distribution networks

Answer: <https://biology-forums.com/index.php?topic=573802>

Question 514

Some companies select locations in different countries to specialize in the production of parts or final goods, which is known as _____.

- A) centralized manufacturing
- B) the multidomestic approach
- C) offshore manufacturing
- D) rationalization

Answer: <https://biology-forums.com/index.php?topic=574212>

Question 515

The most important rationales for NAFTA are geographic proximity and trading importance.

Answer: <https://biology-forums.com/index.php?topic=573118>

Question 516

Research indicates that democracy is declining around the world and that totalitarian regimes are increasing.

Answer: <https://biology-forums.com/index.php?topic=572698>

Question 517

What is capital budgeting? What types of risks are involved? How can an MNE manage these risks?

Answer: <https://biology-forums.com/index.php?topic=573459>

Question 518

The most common type of tariff is the export tariff.

Answer: <https://biology-forums.com/index.php?topic=573011>

Question 519

Licenses are often given to companies owned in whole or in part by the licensor.

Answer: <https://biology-forums.com/index.php?topic=573951>

Question 520

Contact among countries brings about cultural change, which is a process called _____.

- A) cultural collision
- B) cultural imperialism
- C) cultural diffusion
- D) polycentrism

Answer: <https://biology-forums.com/index.php?topic=572537>

Question 521

When dealing in business with people from another country, it is good to use slang and tell jokes to put everyone at ease.

Answer: <https://biology-forums.com/index.php?topic=572609>

Question 522

The U.S. dollar is most likely traded widely because it is _____.

- A) a reserve currency held by many central banks
- B) one of the oldest and most stable currencies in the world
- C) monitored by the Bank of International Settlements and the U.S. Federal Reserve
- D) based on prices of the NYSE, which is the world's largest foreign-exchange center

Answer: <https://biology-forums.com/index.php?topic=573168>

Question 523

The Human Capital Index, based on a comprehensive global study of more than 2,000 companies, found that superior human capital practices were _____ correlated with a firm's financial returns and were a(n) _____ indicator of increased shareholder value.

- A) negatively; lagging
- B) positively; leading
- C) insignificantly; timely
- D) weakly; accurate

Answer: <https://biology-forums.com/index.php?topic=574397>

Question 524

Companies tend to use geographic divisions when they have large foreign operations that are not dominated by a single country or market.

Answer: <https://biology-forums.com/index.php?topic=574048>

Question 525

Describe the exchange rate arrangements used in the EU, Hong Kong, China, and the U.S.

Answer: <https://biology-forums.com/index.php?topic=573342>

Question 526

Corbin Coffee plans to initiate activities in foreign markets through indirect exporting. The firm is most likely to use _____.

- A) local managers to pay tariffs and duties
- B) external specialists to assist in the export process
- C) the International Trade Administration to monitor exports
- D) freight forwarders to act as distributors in foreign markets

Answer: <https://biology-forums.com/index.php?topic=573814>

Question 527

Patrons of McDonald's can enter the restaurant located in any part of the world and expect to see employees wearing the same uniforms and menus offering the same products. McDonald's most likely uses which system of coordination?

- A) standardization
- B) consensus
- C) plan
- D) adaptation

Answer: <https://biology-forums.com/index.php?topic=574023>

Question 528

What are the characteristics of individualist and collectivist cultures?

Answer: <https://biology-forums.com/index.php?topic=572621>

Question 529

For U.S. companies, foreign-currency-denominated receivables and payables give rise to exchange gains and losses _____.

- A) at the end of each accounting period
- B) only when the dollar strengthens against the foreign currency
- C) only when the dollar weakens against the foreign currency
- D) whether the transactions are denominated in dollars or the foreign currency

Answer: <https://biology-forums.com/index.php?topic=574322>

Question 530

Harmon Clothing has a production facility located in Venezuela. Recently, Harmon has been unable to arrange for overseas loans due to the burdensome regulatory policies of the Venezuelan government. Which type of political risk is Harmon most likely experiencing?

- A) catastrophic
- B) distributive
- C) procedural
- D) systemic

Answer: <https://biology-forums.com/index.php?topic=572684>

Question 531

The temporary arrangement of independent companies, suppliers, and free agents for the purpose of completing a task or project is best known as a(n) _____ organization.

- A) virtual
- B) independent
- C) decentralized
- D) international

Answer: <https://biology-forums.com/index.php?topic=574018>

Question 532

Agricultural subsidies by developed countries impede the competitiveness of agricultural exports by developing countries.

Answer: <https://biology-forums.com/index.php?topic=573013>

Question 533

Which of the following problems with the euro most likely worsened the financial crisis in Greece?

- A) excessive flexibility with interest rates

- B) cultural disagreements on labor reform
- C) lack of uniform fiscal regulation standards
- D) unclear policies of the European Central Bank

Answer: <https://biology-forums.com/index.php?topic=573264>

Question 534

When using the current-rate method to translate foreign currency financial statements into the parent currency, translation gains and losses are recognized in comprehensive income.

Answer: <https://biology-forums.com/index.php?topic=574370>

Question 535

Countries sometimes fear that foreign producers are pricing their exports artificially low. This fear is most likely based on the assumption that _____.

- A) foreign companies will lack the earnings to repay their foreign debt
- B) insufficient earnings will be available to improve product technology
- C) foreign producers will charge exorbitant prices after putting competitors out of business
- D) developing countries will be unable to maintain critical industries needed in times of war

Answer: <https://biology-forums.com/index.php?topic=572962>

Question 536

In the long run, MNEs must adequately meet the needs of all stakeholders in order to prosper and survive.

Answer: <https://biology-forums.com/index.php?topic=573525>

Question 537

Which of the following describes a cross-licensing agreement?

- A) allocation of exclusive rights to a licensee to prevent competition
- B) an agreement between two or more companies not to compete in each other's home countries
- C) an exchange of explicit knowledge for tacit knowledge
- D) the exchange of intangible property rights between two or more companies

Answer: <https://biology-forums.com/index.php?topic=573903>

Question 538

Why do turnkey operators often require a feasibility study as part of the contract?

- A) By adding to the cost, they earn more money.
- B) This lessens the risk of contract cancellation when political leadership changes.
- C) This lowers their risk of foreign-exchange losses.
- D) This helps to define what constitutes "satisfactory completion" of the project.

Answer: <https://biology-forums.com/index.php?topic=573919>

Question 539

Which of the following is conducive to low transfer prices from the parent company to a foreign subsidiary and high transfer prices to the parent company from a foreign subsidiary?

- A) political instability
- B) restrictions on profit or dividend remittances
- C) restrictions in the subsidiary country on the value of imported products
- D) desire to mask the profitability of the foreign subsidiary to keep competitors out

Answer: <https://biology-forums.com/index.php?topic=574345>

Question 540

Which of the following languages has the most NATIVE speakers?

- A) English
- B) Mandarin
- C) Spanish
- D) Hindi

Answer: <https://biology-forums.com/index.php?topic=572540>

Question 541

As described in the opening case, SpinCent's CEO analyzed foreign markets, assessed industries, prepped his company, traveled overseas, and hired trustworthy distributors. SpinCent manages the export process including making and marketing its products for foreign buyers. The nature of these

activities shows that the leadership of SpinCent is committing the company to _____.

- A) countertrade
- B) direct exporting
- C) indirect exporting
- D) third party logistics

Answer: <https://biology-forums.com/index.php?topic=573837>

Question 542

The past few years have seen fewer females sent on international assignments.

Answer: <https://biology-forums.com/index.php?topic=574460>

Question 543

The requirement by the U.S. government that its subsidiaries abroad comply with trade restrictions with Cuba is an example of externalities.

Answer: <https://biology-forums.com/index.php?topic=573538>

Question 544

A culture that prefers to first settle general principles rather than small issues is most accurately characterized as _____.

- A) idealist
- B) polychronic
- C) high-context
- D) pragmatist

Answer: <https://biology-forums.com/index.php?topic=572561>

Question 545

The law is often based on imprecisely defined moral concepts that cannot be separated from legal concepts.

Answer: <https://biology-forums.com/index.php?topic=573535>

Question 546

The OECD Convention against bribery is an example of an agreement that targets the demand side of bribery.

Answer: <https://biology-forums.com/index.php?topic=573542>

Question 547

In the U.S., international trade is hampered by homeland security issues and delays.

Answer: <https://biology-forums.com/index.php?topic=573866>

Question 548

Which of the following is most likely true regarding options?

- A) An option can only be purchased from a commercial bank.
- B) Options are never used with foreign currency.
- C) An option is a right to sell foreign currency.
- D) Options do not provide firms with flexibility.

Answer: <https://biology-forums.com/index.php?topic=573184>

Question 549

Rationalization is the process of specializing in manufacturing according to product or process.

Answer: <https://biology-forums.com/index.php?topic=574262>

Question 550

A company can best benefit from a first-mover advantage by moving into a small country, before entering a much larger country.

Answer: <https://biology-forums.com/index.php?topic=573750>

Question 551

Metro Hotels, a U.S. hotel chain, has transferred several of its employees to Myanmar where they will work for three or four years before returning to the U.S. The employees will be working with a Myanmar hotel to provide it with their extensive knowledge regarding how to run a hotel. Metro is most likely involved in a _____.

- A) franchise
- B) turnkey operation
- C) joint venture

D) management contract

Answer: <https://biology-forums.com/index.php?topic=573912>

Question 552

Which of the following most accurately compares the techniques of scanning versus detailed analysis of countries?

- A) Scanning is used for planning and detailed analysis is used for control.
- B) Detailed analysis is used to consider countries overlooked in the scanning process.
- C) Scanning considers a large number of countries so that only the most promising ones undergo a detailed analysis.
- D) Scanning compares one country to another, whereas detailed analysis compares regions within a single country.

Answer: <https://biology-forums.com/index.php?topic=573681>

Question 553

_____ is the linking or integrating of activities into a unified system.

- A) Control
- B) Coordination
- C) Configuration
- D) Compatibility

Answer: <https://biology-forums.com/index.php?topic=574214>

Question 554

What are the major sources of internal funds for MNEs? Why do many MNEs acquire external funds through the Eurodollar market?

Answer: <https://biology-forums.com/index.php?topic=573463>

Question 555

In a diversification strategy for international expansion, a company would move _____.

- A) rapidly into many foreign countries, and then gradually increase its presence in those countries
- B) rapidly into a few foreign countries with many of its products and most of its resources
- C) into one foreign country and fully expand its product lines in that country before moving to another country
- D) quickly into a regional foreign market but build up its resources in only a few of the countries in the region

Answer: <https://biology-forums.com/index.php?topic=573717>

Question 556

The attempt to resolve small issues before principles is a characteristic of which of the following?

- A) relativism
- B) monochronic behavior
- C) pragmatism
- D) uncertainty avoidance

Answer: <https://biology-forums.com/index.php?topic=572562>

Question 557

What is the main motive for countries' protection of their film/cinema industries?

- A) to keep prices low for their citizens
- B) to improve their balance of payments
- C) to diversify their economies
- D) to maintain their cultural sovereignty

Answer: <https://biology-forums.com/index.php?topic=572967>

Question 558

Which of the following countries has a collectivist orientation?

- A) Canada
- B) Australia
- C) Japan
- D) Netherlands

Answer: <https://biology-forums.com/index.php?topic=572634>

Question 559

Translation of foreign currency financial statements is best described as _____.

- A) the process of restating foreign currency financial statements from one currency into another
- B) the process of combining financial statements of different subsidiaries into one statement

C) the conversion of foreign currencies into the U.S. dollar

D) easier when the foreign currency is the euro

Answer: <https://biology-forums.com/index.php?topic=574328>

Question 560

The trade theory that says a country should export more than it imports is known as _____.

A) mercantilism

B) absolute advantage

C) comparative advantage

D) import substitution

Answer: <https://biology-forums.com/index.php?topic=572831>

Question 561

Which of the following financing tactics would most likely help an MNE avoid bankruptcy?

A) integrating e-commerce opportunities with domestic sales in order to maintain a steady balance of income and expenditures

B) agreeing to forward contracts with customers and hedging purchases and sales on future currency rates

C) organizing the capital structure so that the amount of debt financing is twice the level of equity financing

D) keeping the percentage of debt in the capital structure to a level that can be managed even during difficult business conditions

Answer: <https://biology-forums.com/index.php?topic=573366>

Question 562

The U.S. catfish industry petitioned the U.S. government for increased taxes on imported Vietnamese fish, claiming that the fish were being sold below the cost of production. The U.S. catfish industry was accusing the Vietnamese fish industry of _____.

A) dumping

B) using an embargo

C) subsidizing

D) using offsets

Answer: <https://biology-forums.com/index.php?topic=572987>

Question 563

What is the relationship between the five-forces model and a firm's international business strategy? Provide examples to illustrate your answer.

Answer: <https://biology-forums.com/index.php?topic=573673>

Question 564

A voluntary export restriction (VER) refers to _____.

A) an agreement between two countries to reciprocally restrict exports to one another

B) requests by governments for companies to limit exports of militarily useful technology

C) limiting companies' exports to increase domestic supplies

D) limits placed on exports by a government of an exporting country at the request of the government of an importing country

Answer: <https://biology-forums.com/index.php?topic=572977>

Question 565

Which of the following trends has LEAST likely led to the increased demand for expatriate talent?

A) market developments

B) technology changes

C) globalization

D) nationalism

Answer: <https://biology-forums.com/index.php?topic=574450>

Question 566

People who argue for keeping the U.S. trade embargo with Cuba claim all of the following EXCEPT which one?

A) There is not much economic potential from trade given Cuba's small population and low per capita income.

B) Removal of the embargo will cause much more Cuban immigration to the United States.

C) If the Cuban economy is weakened just a bit more, the Cuban political-economic system cannot be sustained.

D) There will be a backlash among countries supplying such commodities as sugar to the United States if the U.S. buys them from Cuba instead.

Answer: <https://biology-forums.com/index.php?topic=572990>

Question 567

Assume that company executives at the firm would like to increase sales by expanding into an international market. Which of the following factors, if

true, best supports a decision to expand sales globally?

- A) It can offshore most of its production.
- B) It can obtain all of its resources for the same price overseas.
- C) Its costs of making additional sales would not increase disproportionately.
- D) The foreign market has higher real interest rates.

Answer: <https://biology-forums.com/index.php?topic=572456>

Question 568

Expatriates are locals from the country of the foreign subsidiary.

Answer: <https://biology-forums.com/index.php?topic=574457>

Question 569

An investor sells Japanese yen which is yielding a low interest rate and uses the proceeds to buy Swiss francs that yield a higher interest rate. Which term best describes the investor's actions?

- A) forward discount spread
- B) interbank transaction
- C) strike price option
- D) carry trade

Answer: <https://biology-forums.com/index.php?topic=573207>

Question 570

Critics of offshoring claim all EXCEPT which of the following?

- A) Cost savings are seldom passed on to final consumers.
- B) Offshoring reduces the incomes of people in low-wage countries.
- C) Incomes of workers in countries whose companies offshored production have gone down as a percentage of national income.
- D) Many workers who have been displaced by offshoring do not have the skills needed for higher-value jobs.

Answer: <https://biology-forums.com/index.php?topic=572455>

Question 571

Which of the following is an example of extraterritoriality?

- A) a U.S. subsidiary operating in China that is forced to follow some U.S. laws, even though China has no comparable laws
- B) a U.S. sweatshop operating in Thailand that does not follow U.S. labor laws but allows children to work 60 hours a week
- C) an MNE manager who, after working in the host country, tries to implement foreign practices in the home-country office
- D) a British subsidiary operating in Indonesia that maintains the same health and safety standards for its foreign factories that are required in Great Britain, even though the British government does not require it to use those standards

Answer: <https://biology-forums.com/index.php?topic=573490>

Question 572

Which tool is used by most firms to monitor the data linkages among product planning, parts purchasing, and inventory maintenance activities?

- A) reports
- B) clan controls
- C) financial metrics
- D) information systems

Answer: <https://biology-forums.com/index.php?topic=574033>

Question 573

Very few commodity agreements are successful in bringing together supplier and consumer countries to stabilize commodity prices.

Answer: <https://biology-forums.com/index.php?topic=573124>

Question 574

When Sistema, a Russian company, issued a U.S. dollar stock offering in London, its shares were classified as a(n) _____.

- A) Global Depositary Receipt
- B) American Depositary Receipt
- C) European Depositary Receipt
- D) International Depositary Receipt

Answer: <https://biology-forums.com/index.php?topic=573390>

Question 575

Which of the following would most likely pressure an MNE to globally integrate its value activities?

- A) costs of producing in separate facilities exceeding those of producing in a single facility
- B) variability in consumers' tastes and preferences shifting across countries
- C) market pressures to add new product features continually
- D) demands imposed by host country governments

Answer: <https://biology-forums.com/index.php?topic=573609>

Question 576

Endaka, the "high yen," caused financial problems for _____.

- A) Japanese foreign-exchange reserves
- B) American foreign-exchange reserves
- C) Japanese importers
- D) Japanese exporters

Answer: <https://biology-forums.com/index.php?topic=573307>

Question 577

In a short essay, discuss liquidity preference as it relates to monetary risk.

Answer: <https://biology-forums.com/index.php?topic=573768>

Question 578

Demographers project that the share (percentage of population) of what we now consider the working-age population in developed countries will decrease up to the year 2050. Which of the following is the most likely result of this trend?

- A) an increase in foreign exchange among trading blocs
- B) an increase in FDI provided by developed economies
- C) a higher percentage in per capita GDP in today's developing economies than in today's developed economies
- D) a higher percentage in per capita GDP in today's developed economies than in today's developing economies

Answer: <https://biology-forums.com/index.php?topic=573728>

Question 579

Under the practice of extraterritoriality, legal and ethical values in a country may cause its companies to operate abroad according to home country laws rather than host country laws.

Answer: <https://biology-forums.com/index.php?topic=573537>

Question 580

What is inflation? How does inflation affect international business?

Answer: <https://biology-forums.com/index.php?topic=572819>

Question 581

Which of the following is a primary business objective for pursuing ethical behavior?

- A) avoiding industrial sanctions
- B) developing competitive advantages
- C) developing creative advertisements
- D) discouraging false commitments to the firm

Answer: <https://biology-forums.com/index.php?topic=573479>

Question 582

Which legislation triggered many foreign MNEs to exit the New York Stock Exchange?

- A) Davis-Bacon Act
- B) Sarbanes-Oxley Act
- C) Norris-LaGuardia Act
- D) McCarran-Ferguson Act

Answer: <https://biology-forums.com/index.php?topic=574352>

Question 583

The common values shared by a company's employees are known as its organization culture.

Answer: <https://biology-forums.com/index.php?topic=574062>

Question 584

Which of the following was a notable trend in political systems during the second half of the 20th century and beginning of the 21st century?

- A) A wave of democratic transformations occurred as countries around the world moved away from totalitarian systems.

- B) A wave of theocratic revolutions occurred as people around the world looked to spirituality to guide them.
C) Socialistic revolutions swept the world as countries aspired toward greater social justice.
D) A totalitarian revolution swept the world as people looked to strong state leadership in uncertain times.

Answer: <https://biology-forums.com/index.php?topic=572649>

Question 585

How do MNEs benefit from superior international HRM especially when filling expatriate positions? What costs do MNEs face when expatriate assignments are unsuccessful?

Answer: <https://biology-forums.com/index.php?topic=574518>

Question 586

Which of the following is a drawback of the polycentric approach?

- A) Host-country nationals become more committed to company headquarters than to their local colleagues.
B) Successful local units may increasingly function independently and pay less attention to headquarters.
C) Local units depend too much on headquarters for resources and innovations, with little incentive to develop their own.
D) Local managers study international business and cultural practices in other markets in preparation for international assignments at the expense of not fully investing in understanding the host country.

Answer: <https://biology-forums.com/index.php?topic=574418>

Question 587

A manager who refuses to bribe customs officials in a foreign country, even though it is morally acceptable in that country, is most likely to believe in which of the following perspectives on ethics?

- A) relativism
B) normativism
C) humanism
D) existentialism

Answer: <https://biology-forums.com/index.php?topic=573486>

Question 588

Describe the four major theories discussed in your text that explain why motivation differs from one country to another.

Answer: <https://biology-forums.com/index.php?topic=572620>

Question 589

Which of the following was part of the stability and growth pact that was required for countries to be part of the European Monetary Union?

- A) The annual government budget must be no greater than 3% of GDP.
B) The annual inflation rate must remain within 1.5% of the three best-performing EU countries.
C) The annual government budget deficit could be no greater than 60% of GDP.
D) The annual inflation rate must remain within 5.5% of the four best-performing EU countries.

Answer: <https://biology-forums.com/index.php?topic=573261>

Question 590

It is sometimes contended that by imposing import controls a country might be able to increase its exports. This contention is premised on _____.

- A) the country's simultaneous currency depreciation, which decreases the price of its exports
B) using the import taxes to institute efficiency measures in potential export industries
C) raising domestic prices in one industry so that the excess domestic profits in that industry can compensate for the cost of dumping products from another industry into foreign markets
D) getting other countries to maintain or relax their current import restrictions instead of escalating restrictions in a trade war

Answer: <https://biology-forums.com/index.php?topic=572953>

Question 591

A tariff is the price of a currency.

Answer: <https://biology-forums.com/index.php?topic=573210>

Question 592

Which of the following is considered a primary activity in a company's value chain?

- A) shipping
B) product design
C) systems and solutions
D) materials and equipment

Answer: <https://biology-forums.com/index.php?topic=573598>

Question 593

In the demand-pull versus supply-push views of the market, which of the following is best classified as a push dynamic that drives supply in the global market?

- A) digitization
- B) media access
- C) standardization
- D) market globalization

Answer: <https://biology-forums.com/index.php?topic=573608>

Question 594

What ethical and labor-related issues are a major challenge to footwear and clothing MNEs that operate in developing countries? What guidelines are provided by the Ethical Trading Initiative?

Answer: <https://biology-forums.com/index.php?topic=573560>

Question 595

A transfer price is a price on goods and services sold by one member of a corporate family to another.

Answer: <https://biology-forums.com/index.php?topic=573453>

Question 596

According to surveys, the most common concern regarding international trade is a shortage of working capital to finance exporting activities.

Answer: <https://biology-forums.com/index.php?topic=573864>

Question 597

What role does the customs agency of a government play?

Answer: <https://biology-forums.com/index.php?topic=573873>

Question 598

The process of combining financial statements of different subsidiaries into one statement is known as _____.

- A) conversion
- B) translation
- C) consolidation
- D) recognition

Answer: <https://biology-forums.com/index.php?topic=574326>

Question 599

According to the text, which of the following is the most important competency in the expatriate selection process?

- A) flexibility
- B) business acumen
- C) global mindset
- D) geographic knowledge

Answer: <https://biology-forums.com/index.php?topic=574429>

Question 600

Low-cost Eurocurrency loans can be obtained in offshore financial centers.

Answer: <https://biology-forums.com/index.php?topic=573434>

Question 601

Which of the following was most responsible for the early success of Tommy Hilfiger clothing?

- A) The products were mass-marketed through discount stores.
- B) Internet mail-order sales were developed when people had less time to shop.
- C) Products were developed to fit the specific needs of different country markets.
- D) Brand awareness was developed through advertising.

Answer: <https://biology-forums.com/index.php?topic=574078>

Question 602

In a matrix structure, product, functional, or geographic groups compete for resources.

Answer: <https://biology-forums.com/index.php?topic=574050>

Question 603

The decision-making process for a company's reinvestment choices is often different from those for new investment choices because _____.

- A) internal rate of return and other financial measurement criteria are more difficult to compile and analyze on existing operations, given currency translation distortions
- B) failure to support an existing investment may jeopardize the firm's operations and competitiveness in that country
- C) most of the net value of foreign investment comes from new international capital transfers rather than from reinvestment of earnings abroad
- D) corporate management feels that country managers are best able to make divestment decisions

Answer: <https://biology-forums.com/index.php?topic=573719>

Question 604

A major problem with the Doha Round is that _____.

- A) developing countries want developed countries to better protect their intellectual property
- B) developing countries want a reduction in agricultural subsidies maintained by the developed countries
- C) the WTO does not want the developing countries to liberalize their investment rules
- D) because of security issues, not all countries were able to attend the meetings, so it was impossible to get a consensus vote

Answer: <https://biology-forums.com/index.php?topic=573046>

Question 605

American hamburgers, Japanese sushi, Italian pizza, Mexican tacos, and Middle Eastern pita bread are now commonly found in most countries. This best supports the argument that _____.

- A) although visible expressions of culture are becoming homogenized, basic differences in societal values remain strong
- B) globalization fulfills lower order needs in Maslow's hierarchy
- C) cultural imperialism is increasingly widespread
- D) cultural hybridization is occurring

Answer: <https://biology-forums.com/index.php?topic=572578>

Question 606

The _____ is a preferential trade agreement that was organized in 1967 and comprises Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam.

- A) APEC
- B) OAU
- C) ASEAN
- D) CAFTA

Answer: <https://biology-forums.com/index.php?topic=573083>

Question 607

Fair Day Paper Products is a family-owned start up that imports bamboo paper from China to make custom greeting cards. The firm has experienced many problems in receiving the supplies from China; recurring problems include lost shipments, delays, and damaged products. Fair Day would most likely benefit by enlisting the help provided by which of the following?

- A) countertraders
- B) customs brokers
- C) import agents
- D) third party logistics

Answer: <https://biology-forums.com/index.php?topic=573836>

Question 608

Most people's basic values are acquired during childhood and are not readily changed later in life.

Answer: <https://biology-forums.com/index.php?topic=572595>

Question 609

The 1997 Kyoto Protocol is best described as an agreement that requires _____.

- A) all members of the United Nations to reduce their greenhouse gas emissions by 5.2 percent
- B) the United States and Japan to control greenhouse gas emissions by 8% below 1995 levels
- C) the signatory countries to cut greenhouse gas emissions to 5.2 percent below 1990 levels
- D) the signatory countries to reduce greenhouse gas emissions by 80% by 2050

Answer: <https://biology-forums.com/index.php?topic=573503>

Question 610

_____ is a form of locking the value of a country's currency onto another currency.

- A) Managed floating
- B) Monetization
- C) Dollarization
- D) Floating

Answer: <https://biology-forums.com/index.php?topic=573258>

Question 611

The global capital market offers all of the following advantages to firms except _____.

- A) short-term financing options
- B) numerous investment opportunities
- C) wide array of financing sources
- D) financing at reduced cost

Answer: <https://biology-forums.com/index.php?topic=573368>

Question 612

All of the following have been predicted to occur in the future as the result of advances in global communications EXCEPT which one?

- A) In spite of being able to work anywhere, people will choose to live primarily where their employers are headquartered.
- B) The brightest minds will work more at home but will still need face-to-face interaction with their colleagues.
- C) People will be drawn to live in the same places that attract people as tourists.
- D) People who are both highly motivated and highly creative will continue to be attracted to interact with people like themselves.

Answer: <https://biology-forums.com/index.php?topic=573731>

Question 613

Civil conflict, tax discrimination, weak legal systems, and terrorist actions are political risks faced by MNEs operating in foreign countries.

Answer: <https://biology-forums.com/index.php?topic=572701>

Question 614

What is dumping? What are the possible effects of dumping on a country's economy?

Answer: <https://biology-forums.com/index.php?topic=573029>

Question 615

Which of the following best describes a company that follows a social marketing orientation?

- A) It considers political and safety dimensions of its products.
- B) It is a not-for-profit entity based in a developed country.
- C) It is a government-owned entity from an emerging economy.
- D) It generates sales to niche markets using social networking sites.

Answer: <https://biology-forums.com/index.php?topic=574089>

Question 616

Foreign acquisitions are more advantageous than start-ups when the industry has little excess capacity than when it has a lot of excess capacity.

Answer: <https://biology-forums.com/index.php?topic=573940>

Question 617

A system in which individuals, rather than the government, make the majority of economic decisions is commonly referred to as a _____.

- A) command economy
- B) market economy
- C) private economy
- D) mixed economy

Answer: <https://biology-forums.com/index.php?topic=572739>

Question 618

The accounting value that illustrates how companies are more liberal in their recognition of income is _____.

- A) optimism
- B) transparency
- C) income-based accounting
- D) measurement

Answer: <https://biology-forums.com/index.php?topic=574304>

Question 619

Assume that U.S. MNE A earns \$100,000 of foreign source income, that the tax rate in the foreign country is 40 percent, and that the tax rate in the United States is 35 percent. How much total (both domestic and foreign) tax would the company pay on that foreign source income, assuming that the tax credit principle applies?

- A) \$40,000
- B) \$35,000
- C) \$75,000
- D) \$5,000

Answer: <https://biology-forums.com/index.php?topic=573427>

Question 620

In a short essay, discuss how companies use foreign exchange.

Answer: <https://biology-forums.com/index.php?topic=573244>

Question 621

The balanced scorecard is an approach to performance measurement that closely links the strategic and financial perspectives of a business.

Answer: <https://biology-forums.com/index.php?topic=574377>

Question 622

What is procedural political risk? How does a nation's political and legal environment influence procedural risk for MNEs?

Answer: <https://biology-forums.com/index.php?topic=572726>

Question 623

An independently floating exchange rate is adjusted periodically at a fixed pronounced rate.

Answer: <https://biology-forums.com/index.php?topic=573313>

Question 624

If a brand name becomes generic in one country, it becomes generic in other countries as well.

Answer: <https://biology-forums.com/index.php?topic=574175>

Question 625

According to the PLC theory, developing countries have their best production advantage in which stage of the product life cycle?

- A) growth
- B) maturity
- C) decline
- D) introduction

Answer: <https://biology-forums.com/index.php?topic=572860>

Question 626

Which of the following is NOT a likely reason to study international business?

- A) Global events affect almost all companies.
- B) Differences among countries in physical, social, and competitive conditions may cause companies to alter their operating methods from country to country.
- C) Business conducted outside the limits of any one country is inexplicably on the decline.
- D) Firms may be better able to obtain better or less expensive resources by operating internationally.

Answer: <https://biology-forums.com/index.php?topic=572425>

Question 627

Why do developing countries sometimes impose import restrictions to increase their levels of industrialization?

Answer: <https://biology-forums.com/index.php?topic=573025>

Question 628

The _____ of a firm is the share of its total output that is exported.

- A) freight forward
- B) incremental export
- C) export intensity

D) intermodal export

Answer: <https://biology-forums.com/index.php?topic=573792>

Question 629

The factor proportions theory holds that countries should improve their competitiveness by importing capital and skilled employees from abroad.

Answer: <https://biology-forums.com/index.php?topic=572901>

Question 630

All of the following tend to be more expensive when sourcing abroad, EXCEPT _____.

- A) transportation costs
- B) inventory holding costs
- C) brokers and agents fees
- D) labor rates

Answer: <https://biology-forums.com/index.php?topic=574232>

Question 631

Why do companies often treat foreign reinvestment decisions differently than new foreign investment decisions?

Answer: <https://biology-forums.com/index.php?topic=573774>

Question 632

A technical forecaster is also known as a _____.

- A) CFO
- B) de facto economist
- C) chartist
- D) monetary administrator

Answer: <https://biology-forums.com/index.php?topic=573294>

Question 633

According to purchasing power parity, if the domestic inflation rate is _____ than that in the foreign country, the domestic currency should be _____ than that of the foreign country.

- A) lower; weaker
- B) higher; higher
- C) lower; stronger
- D) higher; stronger

Answer: <https://biology-forums.com/index.php?topic=573286>

Question 634

Fundamentally, countertrade is best described as a(n) _____ transaction.

- A) simple
- B) common
- C) desirable
- D) inefficient

Answer: <https://biology-forums.com/index.php?topic=573834>

Question 635

A political ideology is the collection of ideas that expresses the goals, theories, and aims that constitute a sociopolitical program.

Answer: <https://biology-forums.com/index.php?topic=572691>

Question 636

Most cultural variables are universal.

Answer: <https://biology-forums.com/index.php?topic=572590>

Question 637

A positive brand image cannot overcome negative perceptions of the country where the product is made.

Answer: <https://biology-forums.com/index.php?topic=574174>

Question 638

Laws on local business activities directly influence the operations of domestic and foreign companies in areas such as hiring and firing workers.

Answer: <https://biology-forums.com/index.php?topic=572710>

Question 639

MNEs use different report formats and schedules for foreign operations according to local customs.

Answer: <https://biology-forums.com/index.php?topic=574060>

Question 640

Which of the following countries has an individualistic orientation?

- A) Venezuela
- B) Japan
- C) Egypt
- D) Canada

Answer: <https://biology-forums.com/index.php?topic=572629>

Question 641

Explain why the argument that "anything that is legal is ethical" is insufficient.

Answer: <https://biology-forums.com/index.php?topic=573556>

Question 642

A U.S. firm with manufacturing facilities in Nigeria will most likely be faced with a _____ legal system.

- A) civil
- B) common
- C) customary
- D) mixed

Answer: <https://biology-forums.com/index.php?topic=572665>

Question 643

A flag of convenience is _____.

- A) the declaration that a product is made in a country that has easier legal access to a given foreign market
- B) a designation for products originating within a particular trading group
- C) the registration of a ship by a shipping company in a country that charges low taxes
- D) the indication that a shipping organization can sail in international waters

Answer: <https://biology-forums.com/index.php?topic=572482>

Question 644

Governments sometimes prohibit operations of private companies, foreign or domestic, in some sectors because they feel these services should not be sold at a profit.

Answer: <https://biology-forums.com/index.php?topic=573017>

Question 645

Trade occurs more between culturally dissimilar countries than between culturally similar countries.

Answer: <https://biology-forums.com/index.php?topic=572903>

Question 646

Ericsson, the Swedish MNE, was required as of 2005 to adopt both Swedish and U.S. GAAP since it lists its securities in both the U.S. and Sweden.

Answer: <https://biology-forums.com/index.php?topic=574380>

Question 647

In the Economic Freedom Index, _____ exhibit high economic freedom whereas _____ exhibit little to no economic freedom.

- A) mixed economies; market economies
- B) command economies; market economies
- C) market economies; command economies
- D) centrally planned economies; command economies

Answer: <https://biology-forums.com/index.php?topic=572747>

Question 648

Discuss the various ways a broker or other import consultant can help an importer minimize import duties.

Answer: <https://biology-forums.com/index.php?topic=573872>

Question 649

Meeting the needs of the present without compromising the ability of future generations to meet their own needs is known as _____.

- A) competitive advantage
- B) the Kyoto Protocol
- C) sustainability
- D) externality

Answer: <https://biology-forums.com/index.php?topic=573502>

Question 650

Under a strategic marketing orientation, a company considers potential environmental, health, social, and work-related problems from the sale of its products abroad.

Answer: <https://biology-forums.com/index.php?topic=574158>

Question 651

Most world trade takes place between raw material exporters and manufacturing exporters.

Answer: <https://biology-forums.com/index.php?topic=572902>

Question 652

The keiretsu structure long used by Japanese companies is an example of virtual organization.

Answer: <https://biology-forums.com/index.php?topic=574055>

Question 653

Which of the following best explains why MNEs often employ more locals than expatriate managers in foreign facilities?

- A) lower compensation expense
- B) better support from unions
- C) improved economies of scale
- D) better grasp of core competencies

Answer: <https://biology-forums.com/index.php?topic=574451>

Question 654

Internet sales complement traditional distributors, thus enhancing companies' ability to secure and hold traditional distributors.

Answer: <https://biology-forums.com/index.php?topic=574179>

Question 655

Logan Electronics has a production facility in Bolivia. Recently, the firm was taxed at a significantly higher rate than a local electronics company.

Which type of political risk is Logan most likely experiencing?

- A) systemic
- B) procedural
- C) distributive
- D) catastrophic

Answer: <https://biology-forums.com/index.php?topic=572683>

Question 656

In a command economy, _____.

- A) businesses and consumers are assumed to be the best judges of how resources should be allocated
- B) the government sets goals and determines the price and quantity of what is produced
- C) different economic sectors coordinate the activities of the federal government
- D) each enterprise sets its goals before making reports to the central government

Answer: <https://biology-forums.com/index.php?topic=572742>

Question 657

Unlike the infant-industry argument, the industrialization argument for trade protection _____.

- A) requires independence from other countries
- B) stresses labor-intensive production methods despite high costs
- C) emphasizes use of locally available raw materials for manufacturing inputs
- D) presumes that economic growth will occur even if domestic manufactured prices are not globally competitive

Answer: <https://biology-forums.com/index.php?topic=572945>

Question 658

Critics of offshoring assert that the short-term cost savings derived from offshoring hinder firms from developing more efficient production methods.
Answer: <https://biology-forums.com/index.php?topic=572501>

Question 659

Which of the following statements would most likely be made by a SUPPORTER of globalization?
A) Globalization encourages the adoption of uniform and superior standards for combating environmental problems.
B) Economic growth created by globalization is largely in services, which involves the use of few nonrenewable resources.
C) Global competition discourages resource-saving technologies, which are costly.
D) Air pollution and toxic runoff problems increase with global economic growth.
Answer: <https://biology-forums.com/index.php?topic=572449>

Question 660

The protection of intellectual property rights is very similar from country to country.
Answer: <https://biology-forums.com/index.php?topic=572716>

Question 661

Ethnocentric firms typically use the same business practices in all cultures and markets.
Answer: <https://biology-forums.com/index.php?topic=572613>

Question 662

Countries typically establish export restrictions to encourage the development of substitute products.
Answer: <https://biology-forums.com/index.php?topic=573005>

Question 663

Which of the following is the LEAST likely reason that inaccuracies appear in published information about countries?
A) inclusion of both legal and illegal economic activities
B) inclusion of both market and non-market economic activities
C) poor methodology used in data collection
D) use of different translation software
Answer: <https://biology-forums.com/index.php?topic=573708>

Question 664

Many NGOs, including Africa Now, Quaker Peace and Social Witness, and Save the Children, are members of the _____.
A) Ethical Trading Initiative
B) International Red Cross Council
C) United Nations Global Compact
D) United Nations Economic and Social Council
Answer: <https://biology-forums.com/index.php?topic=573087>

Question 665

The Japanese approach to quality is total quality management (TQM), which stresses which of the following principles?
A) employee involvement, commitment to international standards, and customer satisfaction
B) customer satisfaction, continuous improvements, and warranties
C) customer satisfaction, employee involvement, and continuous improvements
D) employee involvement, continuous improvements, and commitment to international quality standards
Answer: <https://biology-forums.com/index.php?topic=574225>

Question 666

What is the most likely reason that a universal scheme for assessing the performance and potential of a country's economic environment does NOT exist?
A) difficulties of identifying a definitive set of predictive economic indicators
B) a lack of reliable economic data from most developed economies
C) the isolation of most markets from each other
D) static nature of the marketplace
Answer: <https://biology-forums.com/index.php?topic=572760>

Question 667

The ownership of foreign bonds is an example of a portfolio investment.

Answer: <https://biology-forums.com/index.php?topic=572507>

Question 668

Which of the following best explains why migrant workers in Dubai send money back home?

- A) Non-citizens cannot purchase property.
- B) Non-citizens have temporary visas.
- C) Western Union offers low rates.
- D) Labor demand is flexible.

Answer: <https://biology-forums.com/index.php?topic=573206>

Question 669

What is a Special Drawing Right (SDR)? How is it used?

Answer: <https://biology-forums.com/index.php?topic=573341>

Question 670

There are two ways companies can invest in a foreign country. They can either acquire an interest in an existing operation or construct new facilities. In a short essay, describe the advantages and disadvantages of each alternative.

Answer: <https://biology-forums.com/index.php?topic=573970>

Question 671

What term refers to a currency on deposit outside its country of issue?

- A) Eurocurrency
- B) Eurodollar
- C) Euroyen
- D) Europound

Answer: <https://biology-forums.com/index.php?topic=573364>

Question 672

Tatum Manufacturing recently opened a new facility in Hong Kong. The firm can most likely expect the Hong Kong government to _____.

- A) monitor market prices
- B) control natural resources
- C) ensure fair competition
- D) provide innovation incentives

Answer: <https://biology-forums.com/index.php?topic=572779>

Question 673

According to Transparency International, companies from which of the following countries are more likely to pay bribes?

- A) China
- B) Japan
- C) Singapore
- D) Belgium

Answer: <https://biology-forums.com/index.php?topic=573494>

Question 674

Gates Manufacturing is striving to improve its performance reliability, speed of delivery, and product reliability. Gates is most likely focusing on a(n) _____ strategy.

- A) flexibility
- B) innovation
- C) dependability
- D) quality

Answer: <https://biology-forums.com/index.php?topic=574201>

Question 675

If inflation in the United States is relatively higher than inflation in Japan, and the Japanese government wants to keep the exchange rate fixed between the yen and the dollar, it should most likely _____.

- A) allow its currency to rise against the dollar

- B) allow its currency to fall against the dollar
- C) increase the supply of yen in the market
- D) decrease the supply of yen in the market

Answer: <https://biology-forums.com/index.php?topic=573269>

Question 676

An NGO is _____.

- A) an agency of the United Nations
- B) a private institution independent of a government
- C) any organization working on environmental issues
- D) an organization that is concerned only with workers' rights

Answer: <https://biology-forums.com/index.php?topic=573085>

Question 677

In a democracy, _____.

- A) citizens have the right to participate in the decision-making process
- B) the opportunity to truly participate in the political process is restricted to a select few
- C) the court system is directly supervised by the political system
- D) the rights of the individual are merged with the state

Answer: <https://biology-forums.com/index.php?topic=572642>

Question 678

Technical forecasting relies on trends in economic variables to predict future exchange rates.

Answer: <https://biology-forums.com/index.php?topic=573334>

Question 679

El Salvador's hard peg exchange rate arrangement involves the use of both the U.S. dollar and its own separate legal tender.

Answer: <https://biology-forums.com/index.php?topic=573339>

Question 680

Why should domestic managers have an understanding of globalization and international business? What are the current views regarding the future of globalization?

Answer: <https://biology-forums.com/index.php?topic=572514>

Question 681

Digitization has altered location economics and established a new global model for service providers in the financial and legal industries.

Answer: <https://biology-forums.com/index.php?topic=573649>

Question 682

Profit figures for individual country operations may obscure the real impact those operations have on total global performance.

Answer: <https://biology-forums.com/index.php?topic=573760>

Question 683

_____ strategies and the drive for global efficiencies force MNEs to establish economies of scale in manufacturing.

- A) Cost
- B) Quality control
- C) Cost-minimization
- D) Flexibility

Answer: <https://biology-forums.com/index.php?topic=574203>

Question 684

At Fidelity Enterprises, raw materials, parts, and components are acquired from suppliers as they are needed in the manufacturing process so that Fidelity does not have to store large inventories. Which of the following does Fidelity most likely use?

- A) just-in-time (JIT)
- B) total quality management (TQM)
- C) six Sigma
- D) acceptable quality level (AQL)

Answer: <https://biology-forums.com/index.php?topic=574244>

Question 685

A U.S. firm plans to shift from exporting to production in China to serve the Chinese market. Which of the following statements would best explain this decision?

- A) China's currency is appreciating relative to the U.S. dollar.
- B) The firm is nearing capacity utilization in its U.S. plant.
- C) The company need not alter its products for the Chinese market.
- D) Transportation costs have become low relative to production costs.

Answer: <https://biology-forums.com/index.php?topic=573881>

Question 686

Which of the following is a reason for an MNE to base its standards for ethical behavior on a country's laws?

- A) The law embodies many of a country's moral beliefs but is an inadequate guide for proper conduct.
- B) The law contains unenforceable rules that are impossible for society to follow.
- C) The law represents a consensus derived from significant deliberation.
- D) The law is based on precisely defined moral concepts.

Answer: <https://biology-forums.com/index.php?topic=573488>

Question 687

Which of the following is a statement that summarizes all economic transactions between a country and the rest of the world during a given period of time?

- A) trade deficit
- B) Gini coefficient
- C) balance of payments
- D) purchasing power parity

Answer: <https://biology-forums.com/index.php?topic=572773>

Question 688

Warehouse configuration is a particularly important consideration in the establishment of a transportation network.

Answer: <https://biology-forums.com/index.php?topic=574282>

Question 689

Indirect exporters sell goods to a foreign intermediary, who then sells the product in the domestic market to the final consumer.

Answer: <https://biology-forums.com/index.php?topic=573853>

Question 690

JIT is the process of sourcing raw materials and parts just as they are needed in the manufacturing process.

Answer: <https://biology-forums.com/index.php?topic=574278>

Question 691

At Tyson Manufacturing, departments and units are organized around discrete business activities, such as finance, production, marketing, and human resources. Tyson most likely has a _____ structure.

- A) network
- B) matrix
- C) functional
- D) divisional

Answer: <https://biology-forums.com/index.php?topic=573993>

Question 692

ION Software is the registered owner of a program designed to help sort and organize incoming and outgoing e-mail. Which of the following legal conventions does ION most likely have?

- A) intellectual property right
- B) trademark credential
- C) patent certificate
- D) TRIPS permit

Answer: <https://biology-forums.com/index.php?topic=572677>

Question 693

Boyce Dynamics, a U.S. maker of LED flashlights, fills unsolicited orders from foreign buyers. It has not proactively investigated international trade

options. Boyce Dynamics is best categorized as a(n) _____.

- A) regular exporter
- B) non-exporter
- C) occasional exporter
- D) domestic exporter

Answer: <https://biology-forums.com/index.php?topic=573787>

Question 694

Countertrade is an efficient way of doing business.

Answer: <https://biology-forums.com/index.php?topic=573860>

Question 695

In a country that emphasizes collectivism, _____.

- A) the interests of the individual are more important than the interests of the state
- B) one person or political party exercises absolute control over the political and economic systems
- C) the needs of society and the needs of individuals are treated as equally important
- D) the needs of society take precedence over individual freedoms

Answer: <https://biology-forums.com/index.php?topic=572633>

Question 696

Which of the following is permitted by the Foreign Corrupt Practices Act?

- A) a bribe paid by foreign firms operating in U.S. territories
- B) a bribe paid by U.S. firms operating in a foreign country that permits bribes to be paid
- C) a payment to a foreign government official to influence a customs official
- D) a payment to a customs official to clear legitimate merchandise

Answer: <https://biology-forums.com/index.php?topic=573499>

Question 697

Quantum Footwear is an MNE that manufactures inexpensive shoes. Quantum outsources portions of its production to independent companies located in Bangladesh and India where child labor is common. Other clothing and footwear firms have recently faced criticism regarding the use of child labor, and Quantum executives want to avoid similar problems. Which of the following guidelines enforced by Quantum would LEAST likely be supported by the International Labor Organization?

- A) establishing bridge schools
- B) monitoring workplace safety
- C) allowing children ages 10-15 to work a maximum of 4 hours per day
- D) prohibiting abusive labor conditions

Answer: <https://biology-forums.com/index.php?topic=573523>

Question 698

A polycentric staffing policy is well matched with a transnational strategy.

Answer: <https://biology-forums.com/index.php?topic=574470>

Question 699

The industrialization argument for trade protection in developing countries is based on the assumption that _____.

- A) the protected industry will become competitive over time with economies of scale
- B) unemployment and underemployment exist in rural areas, so little agricultural output is lost as people move into industrial jobs
- C) subsidizing production is a better means of protection than limiting imports
- D) it is better to depend on buying agricultural surpluses from developed countries than to produce these agricultural goods

Answer: <https://biology-forums.com/index.php?topic=572944>

Question 700

Exporters who opt for direct exporting are most likely to _____.

- A) sustain long-term profitability
- B) sell products to domestic retailers
- C) depend on international marketers
- D) sell products to a foreign distributor

Answer: <https://biology-forums.com/index.php?topic=573820>

Question 701

Which of the following is a unique provision of NAFTA?

- A) tariff elimination
- B) common currency
- C) environmental standards
- D) immigration oversights and policies

Answer: <https://biology-forums.com/index.php?topic=573081>

Question 702

Dixon Manufacturing, a British MNE, believes that its business practices are superior, so it does not make any policy changes in foreign markets. Dixon Manufacturing most likely takes a(n) _____ approach to staffing.

- A) ethnocentric
- B) polycentric
- C) geocentric
- D) monocentric

Answer: <https://biology-forums.com/index.php?topic=574412>

Question 703

Pressures for global integration include economic integration, convergent consumer preferences, and political demands imposed by host countries.

Answer: <https://biology-forums.com/index.php?topic=573650>

Question 704

_____ is the matter of how the company balances centralization versus decentralization of decision making, whereas _____ is the matter of how the company opts to divide itself into specific units to do specific jobs.

- A) Horizontal differentiation; vertical differentiation
- B) Vertical differentiation; systemic differentiation
- C) Schematic differentiation; schematic differentiation
- D) Vertical differentiation; horizontal differentiation

Answer: <https://biology-forums.com/index.php?topic=573988>

Question 705

Which of the following has been the LEAST likely outcome of e-commerce on exporting?

- A) enhancing supply chains
- B) triggering a rise in born globals
- C) overcoming capital limitations for SMEs
- D) expanding market opportunities for traders

Answer: <https://biology-forums.com/index.php?topic=573800>

Question 706

Which of the following countries is the best example of a mixed economic model?

- A) United States
- B) France
- C) United Kingdom
- D) Australia

Answer: <https://biology-forums.com/index.php?topic=572748>

Question 707

According to utilitarianism, actions are moral if they produce the greatest amount of good for the greatest number of people.

Answer: <https://biology-forums.com/index.php?topic=573528>

Question 708

Most countries' imports account for more than half of their citizens' consumption.

Answer: <https://biology-forums.com/index.php?topic=572488>

Question 709

Dollarization of a currency occurs when a country takes all of its own currency out of circulation and replaces it with U.S. dollars.

Answer: <https://biology-forums.com/index.php?topic=573312>

Question 710

What is an equity alliance? What motives would a firm have for forming an equity alliance?

Answer: <https://biology-forums.com/index.php?topic=573976>

Question 711

The concept of leveraging in finance refers to _____.

- A) the degree to which companies rely on foreign exchange to fund operations
- B) how a company hedges its foreign currency obligations
- C) the degree to which a firm funds the growth of a business by debt
- D) how much cash the CFO has in the bank

Answer: <https://biology-forums.com/index.php?topic=573360>

Question 712

Why are offsets considered protectionist measures?

- A) Exporters must often find markets for goods outside their lines of expertise.
- B) Exports must be sold at a certain percentage price below the price of domestic producers.
- C) Companies must submit samples to government authorities before receiving export permission.
- D) Trading companies must incur additional inventory carrying charges and pay significantly higher tariffs.

Answer: <https://biology-forums.com/index.php?topic=572979>

Question 713

What are the main arguments for and against Africa developing a common currency like the EU?

Answer: <https://biology-forums.com/index.php?topic=573349>

Question 714

Which of the following is most likely a true statement about the relationship between the United Nations and NGOs?

- A) The UN must license an NGO for it to be involved in any international relief efforts.
- B) A UN committee discusses issues of importance to NGOs but does not regulate their activities.
- C) The UN determines which NGOs can work on international humanitarian issues and relief efforts.
- D) NGOs typically operate in only one country, whereas UN agencies can operate anywhere in the world.

Answer: <https://biology-forums.com/index.php?topic=573086>

Question 715

The collapse of communism in the late 1980s and early 1990s led to a more widespread adoption of the principles of capitalism.

Answer: <https://biology-forums.com/index.php?topic=572811>

Question 716

A 1998 U.S. law that outlaws bribery payments by U.S. firms to foreign government officials is known as the _____.

- A) Anti-Bribery Act of 2004
- B) Foreign Corrupt Practices Act
- C) Zero Tolerance Initiative
- D) Sarbanes-Oxley Act

Answer: <https://biology-forums.com/index.php?topic=573498>

Question 717

A company's operations are most likely to be taken over by a host government when _____.

- A) the operations are relatively small and, thus, unlikely to incur the wrath of the company's home government
- B) the operations are substantial and have a widespread effect on the country because of the company's size
- C) the host country becomes involved in a regional war
- D) the firm produces discretionary rather than essential products

Answer: <https://biology-forums.com/index.php?topic=573693>

Question 718

Although capital intensity is growing in most industries, labor compensation remains a significant cost for most companies.

Answer: <https://biology-forums.com/index.php?topic=573741>

Question 719

International law takes precedence over national laws in determining permissible practices in pricing, distribution, advertising, and promotion of products and services in a particular country.

Answer: <https://biology-forums.com/index.php?topic=572712>

Question 720

According to 2010 data, which of the following statements about the mix of debt and equity to fund operations is true?

- A) The debt/asset ratio has risen in Japan since 2007.
- B) A growing number of Russian firms are relying more on debt.
- C) The equity/asset ratio fell for firms in France and Germany since 2007.
- D) In most emerging markets, shares of stock are broadly held, like in the U.S.

Answer: <https://biology-forums.com/index.php?topic=573361>

Question 721

Managers need to understand not only the laws of countries where they operate, but also how those laws are enforced.

Answer: <https://biology-forums.com/index.php?topic=572510>

Question 722

Based on the hierarchy-of-needs theory, in which of the following would fulfillment of lower-order needs be the best motivator?

- A) wealthy countries
- B) Protestant countries
- C) high femininity countries
- D) very poor countries

Answer: <https://biology-forums.com/index.php?topic=572550>

Question 723

Baldani Manufacturing, an Italian firm, plans to expand into Asia. In order to take advantage of regional trading groups, Baldani will most likely need to change its _____.

- A) operating strategies
- B) selection test methods
- C) bilateral trade agreements
- D) economic integration methods

Answer: <https://biology-forums.com/index.php?topic=573041>

Question 724

When the European Union was formed, the size of the market increased for European companies. This is most likely an example of a _____.

- A) dynamic effect
- B) static effect
- C) trade diversion
- D) trade reflection

Answer: <https://biology-forums.com/index.php?topic=573057>

Question 725

The _____ starts with the same accounting framework used to calculate GDP but then adjusts for values assigned to environmental quality, population health, livelihood security, equity, free time, and educational attainment.

- A) Gross National Index
- B) Net National Product
- C) Genuine Progress Indicator
- D) Human Development Index

Answer: <https://biology-forums.com/index.php?topic=572758>

Question 726

The translation method used when the functional currency is the parent currency is the _____.

- A) current-rate method
- B) temporal method
- C) translate-restate method
- D) consolidation method

Answer: <https://biology-forums.com/index.php?topic=574330>

Question 727

Which of the following is a sourcing strategy in the global context?

- A) use only local purchasing agents
- B) establish local purchasing offices

- C) purchase only from global suppliers
- D) assign domestic buyers for international purchasing

Answer: <https://biology-forums.com/index.php?topic=574242>

Question 728

Pender Pharmaceuticals is considering expanding overseas and is focusing primarily on the BRICs. Which of the following countries is one that Pender is considering?

- A) Indonesia
- B) Chile
- C) Russia
- D) Bangladesh

Answer: <https://biology-forums.com/index.php?topic=572777>

Question 729

Which of the following statements referring to intellectual property rights and violations is INCORRECT?

- A) Richer countries claim looser regulation of intellectual property rights will hinder innovation.
- B) Companies can register a global patent, trademark, or copyright through the World Trade Organization (WTO).
- C) The International Anti-Counterfeiting Coalition estimates international trade in counterfeit products at \$600 billion a year.
- D) Developing markets claim tougher regulation of IPRs will slow, if not halt, their economic development.

Answer: <https://biology-forums.com/index.php?topic=572679>

Question 730

Rapid Technologies owns its entire supplier network, which means that the firm most likely uses _____.

- A) industrial clustering
- B) competitive sharing
- C) vertical integration
- D) global outsourcing

Answer: <https://biology-forums.com/index.php?topic=574235>

Question 731

The comparative advantage theory holds that a country will gain from trade even though it can produce all goods more efficiently than other countries.

Answer: <https://biology-forums.com/index.php?topic=572894>

Question 732

NAFTA is an example of a common market.

Answer: <https://biology-forums.com/index.php?topic=573117>

Question 733

Fundamental forecasting uses trends in economic variables to predict future rates.

Answer: <https://biology-forums.com/index.php?topic=573331>

Question 734

Which of the following is NOT a factor driving local responsiveness among global firms?

- A) cross-national differences in distribution channels
- B) diverging consumer tastes and preferences
- C) cross-national differences in product standards
- D) host government support of freer international trade

Answer: <https://biology-forums.com/index.php?topic=573611>

Question 735

Under NAFTA, rules of origin ensure that _____.

- A) only goods produced mostly within the region are eligible for liberal tariff conditions
- B) only American products are shipped to Canada and Mexico duty-free
- C) all members import products only from member nations
- D) all members have the same external and internal tariffs

Answer: <https://biology-forums.com/index.php?topic=573079>

Question 736

Organization _____ refers to the formal arrangement of roles, responsibilities, and relationships within an organization.

- A) structure
- B) systems
- C) culture
- D) strategy

Answer: <https://biology-forums.com/index.php?topic=573984>

Question 737

What are the arguments for and against nations developing and implementing strategic trade policies?

Answer: <https://biology-forums.com/index.php?topic=572926>

Question 738

When companies face the same competitors in almost all countries where they operate, _____.

- A) what they learn about each other in one country is useful in predicting the other's strategies and actions elsewhere
- B) the market leader is the same everywhere
- C) there is less need to understand the physical and societal factors of each country
- D) they are less likely to enter joint ventures with other companies

Answer: <https://biology-forums.com/index.php?topic=572475>

Question 739

Which of the following is the best example of a product disruption driving industry change?

- A) redesign of Toyota's Prius
- B) introduction of Apple's iPad
- C) AT&T's purchase of T-Mobile
- D) merger of United and Continental

Answer: <https://biology-forums.com/index.php?topic=573570>

Question 740

Which of the hypothetical new products, if successful, would most likely diffuse its production and sales according to the product life cycle theory?

- A) a Ferrari sports car selling for \$200,000 to a niche, upper-end market
- B) a Sony television that receives global transmissions without a satellite dish or cable connection, introduced at a high price but targeted eventually for sale to a mass market
- C) a new Diet Coca-Cola soft drink flavored with cranberries
- D) a Kyocera plastic chip carrier, which is expected to be quickly obsolete because of innovations

Answer: <https://biology-forums.com/index.php?topic=572861>

Question 741

The European Union is an example of regional integration.

Answer: <https://biology-forums.com/index.php?topic=573096>

Question 742

The bid is the price at which the trader is willing to sell foreign currency.

Answer: <https://biology-forums.com/index.php?topic=573219>

Question 743

Which of the following links together the central banks of the world and acts as a central banker's bank?

- A) the IMF
- B) the World Bank
- C) the BIS
- D) the EMU

Answer: <https://biology-forums.com/index.php?topic=573268>

Question 744

Which of the following is an indication of the increased globalization of business since the end of World War II?

- A) Foreign trade has largely replaced foreign ownership as a means of conducting international business.
- B) World trade has grown more rapidly than world production.
- C) Globally, consumers now depend on foreign output for more than half their consumption.
- D) Countries have increased their import restrictions to counter the rising tide of imports.

Answer: <https://biology-forums.com/index.php?topic=572429>

Question 745

Which of the following statements most accurately describes the relationship between trading groups and MNEs?

- A) Trading groups have no influence on the size of the regional market.
- B) Regional trading groups can define the rules under which companies must operate within that region.
- C) Companies never need to change their organizational structure to take advantage of regional trading groups.
- D) Regional trading groups have no influence on an MNE's strategy since they operate worldwide.

Answer: <https://biology-forums.com/index.php?topic=573039>

Question 746

Labor cost advantages gained by moving into a country with low wages may be short-lived because _____.

- A) transport costs go up to cancel out the cost savings
- B) tax increases cancel out all labor cost differentials
- C) rivals adopt capital-intensive production methods
- D) competitors follow leaders into low-wage areas

Answer: <https://biology-forums.com/index.php?topic=573691>

Question 747

What are the two major segments of the foreign-exchange market? What types of foreign-exchange instruments are traded within these markets?

Answer: <https://biology-forums.com/index.php?topic=573240>

Question 748

Which of the following best supports a nation's decision to implement a strategic trade (industrial) policy?

- A) The policies have usually resulted in big payoffs.
- B) Governments, rather than entrepreneurs, should take the risks of developing new industries.
- C) Consumer needs would otherwise not be met.
- D) Government actions should target industries that are believed to give the country its best export advantages.

Answer: <https://biology-forums.com/index.php?topic=572868>

Question 749

The essential-industry argument holds that industries with potential export capabilities should be protected.

Answer: <https://biology-forums.com/index.php?topic=573009>

Question 750

The principle that an individual has the freedom to pursue his or her interests is called _____.

- A) socialism
- B) totalitarianism
- C) individualism
- D) collectivism

Answer: <https://biology-forums.com/index.php?topic=572631>

Question 751

Which of the following is unique to foreign project assessment in the capital budgeting decision?

- A) Project cash flows must be determined.
- B) Parent cash flows and project cash flows are the same.
- C) Local tax issues affect the determination of free cash flows and the remittance of earnings.
- D) Inflation is not an issue, because companies use the same inflation rate in both the domestic and international setting in order to make the analysis more comparative.

Answer: <https://biology-forums.com/index.php?topic=573413>

Question 752

The comparable access argument for import restrictions is a more valid economic argument for products using small-scale technology than for products requiring substantial economies of scale to be competitive.

Answer: <https://biology-forums.com/index.php?topic=573004>

Question 753

A U.S. firm is acquiring an existing company in Germany rather than starting up a new foreign operation. Which of the following statements best supports this decision?

- A) Because the German firm is performing poorly, there is a good turn-around opportunity.

- B) The U.S. firm's U.S. facility is working at capacity.
C) Stock market prices have been very high in Germany.
D) The German firm has skilled personnel that the U.S. firm cannot hire at a good price on its own.

Answer: <https://biology-forums.com/index.php?topic=573887>

Question 754

Inflation affects interest rates, exchange rates, the cost of living, general economic confidence, and the stability of the current political system.

Answer: <https://biology-forums.com/index.php?topic=572795>

Question 755

Most of the world's goods and services are sold _____.

- A) in international markets
B) in the countries where they are produced
C) through exports to small countries
D) through exports to large countries

Answer: <https://biology-forums.com/index.php?topic=572430>

Question 756

Quantum Footwear is an MNE that manufactures inexpensive shoes. Quantum outsources portions of its production to independent companies located in Bangladesh and India where child labor is common. Other clothing and footwear firms have recently faced criticism regarding the use of child labor, and Quantum executives want to avoid similar problems. Which of the following would be the best approach for Quantum?

- A) improving conditions at the subcontract facilities
B) developing an external ethics code for foreign partners and letting them worry about compliance
C) requiring local governments to alter their labor policies
D) leaving the market and focusing on domestic production

Answer: <https://biology-forums.com/index.php?topic=573522>

Question 757

Assume a firm has operations in Tokyo, where there is a collectivist culture. Which of the following would most likely motivate the firm's Japanese employees?

- A) "employee-of-the-month" programs
B) extensive vacation time
C) on-the-job challenges
D) good health benefits

Answer: <https://biology-forums.com/index.php?topic=572553>

Question 758

The _____ clause embodied the fundamental principle of GATT—trade without discrimination.

- A) most-favored-nation
B) nontariff barriers
C) free rider
D) normal trade relations

Answer: <https://biology-forums.com/index.php?topic=573043>

Question 759

A physician, who is a citizen of and licensed in Country A, meets the professional licensing requirements of Country B. The physician will most likely _____.

- A) have to pass a language proficiency exam before being allowed to work in Country B
B) not be allowed to work in the not-for-profit sector in Country A or Country B for a set period
C) have to get a work permit from Country B's immigration authorities to work in Country B
D) have to work in the not-for-profit sector in Country B for a period of time before being permitted to work for a profit-seeking organization

Answer: <https://biology-forums.com/index.php?topic=572982>

Question 760

From an economic standpoint, why do production factors move from one country to another? How does factor movement affect international trade?

Answer: <https://biology-forums.com/index.php?topic=572927>

Question 761

Korman Industries is a foreign multinational that recently established operations in the European Union. What is the most likely advantage for Korman

as a result?

- A) Governance processes are streamlined because local governments have been eliminated.
- B) Market size is larger because of the elimination of internal tariff barriers.
- C) Differential external tariff barriers exist for product shipments.
- D) The EU uses English as its official language.

Answer: <https://biology-forums.com/index.php?topic=573073>

Question 762

Serendipity is often an export trigger for companies that purposefully look to internationalize their operations.

Answer: <https://biology-forums.com/index.php?topic=573841>

Question 763

The lower survival rate of foreign companies in comparison to local firms for many years after they begin operations is known as _____.

- A) ethnocentric reaction
- B) polycentric reaction
- C) liability of foreignness
- D) most-favored-nation behavior

Answer: <https://biology-forums.com/index.php?topic=573699>

Question 764

The ability of the production process to make different kinds of products and to adjust the volume of output is known as _____.

- A) quality control
- B) flexibility
- C) dependability
- D) innovation

Answer: <https://biology-forums.com/index.php?topic=574202>

Question 765

U.S. companies monopolize much of the international entertainment media, which largely portrays U.S. products and lifestyles as glamorous and appealing. This situation would most likely be used as an example of _____.

- A) the stronger work ethic typical of developed countries
- B) the spread of high-context cultures
- C) cultural fragmentation
- D) cultural imperialism

Answer: <https://biology-forums.com/index.php?topic=572576>

Question 766

The balance between centralization and decentralization of authority in a company is known as _____.

- A) systemic differentiation
- B) horizontal differentiation
- C) schematic differentiation
- D) vertical differentiation

Answer: <https://biology-forums.com/index.php?topic=573985>

Question 767

What was the primary purpose of the formation of Sinergia?

- A) charge tariffs on Walmart imports
- B) purchase Walmart's major suppliers
- C) better compete with Walmart on price
- D) include Walmart in the regional supply chain

Answer: <https://biology-forums.com/index.php?topic=573094>

Question 768

The International Fisher Effect implies that the country with the higher interest rate should have lower inflation.

Answer: <https://biology-forums.com/index.php?topic=573329>

Question 769

Neoclassical structures aim to support organizations _____.

- A) in which the location of control in a network alliance is evident

- B) that centralize decision-making authority to those who can make informed decisions
- C) that dismantle horizontal, vertical, or external boundaries that block ideas and relationships
- D) that create predictable workplaces with minimal collaboration among subsidiaries

Answer: <https://biology-forums.com/index.php?topic=574009>

Question 770

An argument for limiting foreign control of key industries is that decisions made abroad can have adverse effects on the local economy.

Answer: <https://biology-forums.com/index.php?topic=573946>

Question 771

The Big Mac Index perfectly explains the relative size of economies.

Answer: <https://biology-forums.com/index.php?topic=573326>

Question 772

A government that enforces its own laws on foreign subsidiaries of its domestic companies practices _____.

- A) civil law
- B) relativism
- C) externality
- D) extraterritoriality

Answer: <https://biology-forums.com/index.php?topic=573491>

Question 773

_____ is an approach to performance measurement that closely links the strategic and financial perspectives of a business.

- A) Transfer pricing
- B) Budget to actual
- C) The balanced scorecard
- D) Return on investment

Answer: <https://biology-forums.com/index.php?topic=574349>

Question 774

Tied aid requires a recipient to _____.

- A) donate a portion of the funds to the donor country's infrastructure needs
- B) use the capital in any way as long as donor country approval is granted
- C) employ local workers in management positions
- D) spend the funds in the donor country

Answer: <https://biology-forums.com/index.php?topic=572974>

Question 775

When selecting a commercial and/or investment bank to deal in foreign exchange, corporations are most likely to use _____.

- A) the exchange-based market rather than the over-the-counter market
- B) more than one bank to meet different needs
- C) banks located in the home country
- D) investment banks only

Answer: <https://biology-forums.com/index.php?topic=573190>

Question 776

An effective tariff is the sum of the ad valorem tariff plus the specific duty.

Answer: <https://biology-forums.com/index.php?topic=573012>

Question 777

The financial management activity that determines the proper mix of debt and equity is _____.

- A) capital structure
- B) long-term financing
- C) capital budgeting
- D) working capital management

Answer: <https://biology-forums.com/index.php?topic=573353>

Question 778

Why is London most likely the top market for trading foreign exchange?

- A) The British pound is the world's top trading currency.
- B) Most multinational firms are headquartered in London.
- C) London is uniquely positioned geographically in terms of time zones.
- D) British traders have always been the most sophisticated in the world.

Answer: <https://biology-forums.com/index.php?topic=573171>

Question 779

The recent global economic crisis has led to which of the following?

- A) governments seeking to impose more constraints on capitalism
- B) governments seeking to eliminate constraints on capitalism
- C) governments seeking to increase the interdependence of developing economies
- D) governments seeking to eliminate the interdependence of developing economies

Answer: <https://biology-forums.com/index.php?topic=572727>

Question 780

The principle by which the tax authorities allow firms to reduce their tax liability by the amount of income taxes paid to a foreign government is known as a tax credit.

Answer: <https://biology-forums.com/index.php?topic=573455>

Question 781

In a licensing arrangement, it is rare for companies to agree to a front-end payment to cover technology transfer costs.

Answer: <https://biology-forums.com/index.php?topic=573950>

Question 782

Which of the following countries has a soft peg currency?

- A) China
- B) Brazil
- C) Japan
- D) India

Answer: <https://biology-forums.com/index.php?topic=573260>

Question 783

Which of the following best describes globally standardized advertising?

- A) a campaign that is identical in all markets
- B) a campaign that meets the legal and ethical standards of all countries
- C) a campaign that is similar but not identical from market to market
- D) a campaign that depends primarily on push rather than pull promotion

Answer: <https://biology-forums.com/index.php?topic=574132>

Question 784

In foreign-exchange markets, reporting dealers are _____.

- A) financial institutions that actively participate in local and global foreign-exchange markets
- B) located primarily in New York City since U.S. dollars are the most widely traded currency
- C) controlled by the Bank for International Settlements located in Switzerland
- D) hedge funds and pension funds monitored by the World Bank

Answer: <https://biology-forums.com/index.php?topic=573157>

Question 785

Which of the following best defines international business?

- A) It includes all economic flows between two or more countries.
- B) It includes all private economic flows between two or more countries.
- C) It includes all business transactions involving two or more countries.
- D) It includes all business transactions in countries other than your home country.

Answer: <https://biology-forums.com/index.php?topic=572424>

Question 786

Subpart F income is _____.

- A) usually earned by a branch rather than a corporation
- B) not taxed to the parent unless a dividend is remitted

C) not eligible for the tax credit
D) passive and usually derived from operations in a tax-haven country
Answer: <https://biology-forums.com/index.php?topic=573418>

Question 787

A push strategy for international sales is most likely preferable to a pull strategy when _____.

A) there are few prohibitions on advertising
B) the price of the product is high relative to incomes
C) people rely on friends' opinions before buying a product
D) literacy rates are high
Answer: <https://biology-forums.com/index.php?topic=574129>

Question 788

Gross national income (GNI), the broadest measure of economic activity for a country, is defined as the _____.

A) total of all consumption and investment that takes place in a national economy
B) income generated in one country, regardless of who owns the productive assets
C) total of all economic activity in one country less services, such as government administration, health services, and education
D) income generated by both total domestic production and the international production activities of national companies
Answer: <https://biology-forums.com/index.php?topic=572751>

Question 789

Which of the following interpretative frameworks does NOT automatically presume that a particular nation provides a solution to every problem or an explanation for every action?

A) ethnocentric
B) geocentric
C) polycentric
D) intercentric
Answer: <https://biology-forums.com/index.php?topic=574421>

Question 790

Foreign trade zones (FTZs) can be divided into _____ and _____.

A) domestic zones; global zones
B) import zones; export zones
C) general-purpose zones; subzones
D) foreign-goods zones; domestic-materials zones
Answer: <https://biology-forums.com/index.php?topic=574249>

Question 791

A market economy is one in which resources are primarily owned and controlled by individuals and companies.
Answer: <https://biology-forums.com/index.php?topic=572805>

Question 792

A guideline for responsible action by a firm in its operations worldwide is a(n) _____.

A) code of conduct
B) corporate monitoring policy
C) education program
D) honor code
Answer: <https://biology-forums.com/index.php?topic=573516>

Question 793

Companies are usually willing to accept a lower rate of return on their investments in countries where they can more easily sell those investments and convert the proceeds at a favorable rate.
Answer: <https://biology-forums.com/index.php?topic=573745>

Question 794

Country X brings in a large number of unskilled immigrants to meet its labor needs. Which of the following is the LEAST likely to occur in Country X as a result?

A) Country X will develop a long-term class of "have-nots" if the children of immigrants remain unskilled.
B) Country X will need more unskilled people in the future if immigrant children become skilled.

- C) The continual supply of unskilled labor will delay the development of labor saving technology in Country X.
D) Country X will experience a significant transfer of knowledge and a resulting rise in start-up businesses.

Answer: <https://biology-forums.com/index.php?topic=572878>

Question 795

The largest percentage of nations, within a contiguous geographic region, that adhere to the rule of man are located in _____.

- A) Central Africa
B) Northern Africa
C) Eastern Europe
D) Central America

Answer: <https://biology-forums.com/index.php?topic=572668>

Question 796

Independent suppliers can connect to a company's intranet to help automate and organize delivery of components to that company.

Answer: <https://biology-forums.com/index.php?topic=574266>

Question 797

A possible drawback to the essential industry argument for import protectionism is _____.

- A) that such protection hurts the protecting country's balance of payments
B) in times of military emergency, almost any product could be considered essential
C) other countries find supplies elsewhere
D) unemployment increases in the protecting country

Answer: <https://biology-forums.com/index.php?topic=572965>

Question 798

What is meant by the idea of economic freedom? What factors are used in the Economic Freedom Index? For managers, what role does the Economic Freedom Index play in analyzing the potential of a country?

Answer: <https://biology-forums.com/index.php?topic=572821>

Question 799

The lowering of a foreign producer's price as a result of an imposed import tax is known as an optimum tariff.

Answer: <https://biology-forums.com/index.php?topic=573007>

Question 800

_____ refers to the activities that an organization carries out to put the right person into the right job in the right place at the right time for the right salary.

- A) Work force analysis
B) Staff development
C) Human resource management
D) Leadership planning

Answer: <https://biology-forums.com/index.php?topic=574395>

Question 801

Which of the following is a voluntary effort by 150 multinational construction and natural-resources companies to end bribery?

- A) Foreign Corrupt Practices Act
B) Partnering Against Corruption Initiative
C) OLAF (European Commission Anti-Fraud Office)
D) Sarbanes-Oxley Act

Answer: <https://biology-forums.com/index.php?topic=573501>

Question 802

Companies are likely to export products abroad in all of the following situations EXCEPT which one?

- A) when their average cost per unit of home country production declines substantially by increasing output
B) when they want to use the riskiest but most profitable method to engage international trade
C) when they aim to increase degree of market diversification
D) when they are new to international business

Answer: <https://biology-forums.com/index.php?topic=573786>

Question 803

Preference for a consultative management style is prevalent in a society with low power distance.

Answer: <https://biology-forums.com/index.php?topic=572603>

Question 804

Unlike grids, matrices do not require managers to determine weights for factors that indicate risk.

Answer: <https://biology-forums.com/index.php?topic=573754>

Question 805

In a short essay, compare the strategies of diversification versus concentration and provide examples of situations in which each would be used.

Answer: <https://biology-forums.com/index.php?topic=573773>

Question 806

From an accounting perspective, countries with strong equity markets and shareholder orientations tend to be macro-uniform systems.

Answer: <https://biology-forums.com/index.php?topic=574360>

Question 807

An advantage of the geocentric outlook to staffing is _____.

- A) encouraging workers to appreciate the unique virtues of a particular country
- B) giving people a flexible perspective for fitting operations to different countries
- C) removing most behavioral barriers to fully adapting to the chosen local market
- D) tapping learning opportunities around the world to generate ideas that enhance core competencies

Answer: <https://biology-forums.com/index.php?topic=574422>

Question 808

Which of the following is NOT one of the three prevalent approaches to coordination?

- A) standardization
- B) mutual adjustment
- C) adaptation
- D) planning

Answer: <https://biology-forums.com/index.php?topic=574022>

Question 809

Comparative advantage differs from absolute advantage in that the former _____, whereas the latter _____.

- A) holds that countries should specialize their production; does not
- B) holds that trade should be kept as nearly in balance as possible; says countries should seek a favorable balance of trade
- C) bases trade on natural advantages; bases trade on acquired advantage
- D) states that there is a basis of trade even if one country can produce everything more efficiently than another country; does not deal with this issue

Answer: <https://biology-forums.com/index.php?topic=572839>

Question 810

Import substitution is a program promoting local production of products that would otherwise be imported.

Answer: <https://biology-forums.com/index.php?topic=573001>

Question 811

Top executives at Jordan, a U.S. consulting firm, are debating whether or not to expand into a country with a great deal of violence by staffing mostly with U.S. personnel. A vice president argues that Jordan should forego sending its employees there because of the high risk for them of kidnappings in the region. Which of the following statements best supports the vice president's position?

- A) There is a high correlation between violence and life-threatening natural disasters.
- B) Violence is a harbinger of additional risks that affect operations negatively.
- C) Local personnel are immune from violence and are capable of filling positions.
- D) The ability to evacuate people when necessary is much slower than it was in the past.

Answer: <https://biology-forums.com/index.php?topic=573710>

Question 812

Advocates of exporting e-waste assert that the activity helps entrepreneurs in developing countries create value by recovering and recycling scarce resources such as copper.

Answer: <https://biology-forums.com/index.php?topic=573848>

Question 813

The global financial crisis has pushed China closer to _____.

- A) operating independently from the central banks of other countries
- B) discontinuing its relationship with the Bank for International Settlements
- C) liberalizing its currency
- D) controlling its currency

Answer: <https://biology-forums.com/index.php?topic=573266>

Question 814

The global integration of capital markets is a major force leading to the convergence of accounting standards.

Answer: <https://biology-forums.com/index.php?topic=574363>

Question 815

The _____ is the currency most widely used as a reserve asset.

- A) euro
- B) Japanese yen
- C) U.S. dollar
- D) British pound

Answer: <https://biology-forums.com/index.php?topic=573273>

Question 816

Political systems based on the _____ paradigm, such as those of Japan and China, accept the principle that government may intervene to ensure that business practices benefit society.

- A) individualistic
- B) collectivistic
- C) pluralistic
- D) laissez-faire

Answer: <https://biology-forums.com/index.php?topic=572635>

Question 817

What factors influence cultural stability and cultural change? What factors influence how much cultural adjustment organizations must make in foreign countries?

Answer: <https://biology-forums.com/index.php?topic=572624>

Question 818

Firms with global strategies versus those implementing multidomestic strategies are more likely to use _____.

- A) expatriate managers
- B) host-country nationals in top management positions abroad
- C) local managers
- D) home-country nationals in corporate positions

Answer: <https://biology-forums.com/index.php?topic=574427>

Question 819

Which of the following is most likely a FALSE statement about income inequality?

- A) The richest 1% of the world's population claims as much income as the bottom 57%.
- B) GNI is the most effective tool for estimating the relative wealth of a nation's citizens.
- C) Among industrialized nations, the U.S. has the largest inequality gap between rich and poor.
- D) Income inequality between metropolitan and rural areas threatens a country's social stability.

Answer: <https://biology-forums.com/index.php?topic=572769>

Question 820

Transfer prices are _____.

- A) always based on production costs
- B) the prices on goods transferred from one country to another
- C) regulated by the United Nations so as to avoid manipulation
- D) often used to minimize taxation

Answer: <https://biology-forums.com/index.php?topic=574343>

Question 821

Which of the following groups of countries is most likely to form a regional trading group?

- A) India, Argentina, France
- B) Canada, United States, Mexico
- C) Brazil, Ukraine, Japan
- D) Spain, South Africa, Mongolia

Answer: <https://biology-forums.com/index.php?topic=573048>

Question 822

An export trading company (ETC) works with many manufacturers rather than representing a single manufacturer.

Answer: <https://biology-forums.com/index.php?topic=573856>

Question 823

What has been the impact of NAFTA on trade and employment in NAFTA nations?

Answer: <https://biology-forums.com/index.php?topic=573131>

Question 824

A company that makes a foreign investment largely to acquire knowledge is most likely to use _____ as a means of expansion.

- A) a greenfield investment
- B) internalization
- C) an acquisition
- D) a licensing agreement

Answer: <https://biology-forums.com/index.php?topic=573888>

Question 825

In response to the global credit crisis, the United States government took actions that increased economic freedom.

Answer: <https://biology-forums.com/index.php?topic=572812>

Question 826

International accounting firms, such as Deloitte and KPMG, have the most influence on _____.

- A) international and domestic tax laws
- B) public record disclosure rules
- C) global auditing practices
- D) domestic legal systems

Answer: <https://biology-forums.com/index.php?topic=574299>

Question 827

The OECD has set transfer pricing guidelines to enhance the manipulation of prices and therefore taxes for MNEs and the countries where they operate.

Answer: <https://biology-forums.com/index.php?topic=573452>

Question 828

When the pressure for global integration is high and the pressure for local responsiveness is low, a company is most likely to pursue a(n) _____ strategy.

- A) global
- B) transnational
- C) multidomestic
- D) international

Answer: <https://biology-forums.com/index.php?topic=573617>

Question 829

The vigor of IPR protection is highly related to a country's stage of _____.

- A) economic development
- B) cultural heterogeneity
- C) natural resource development
- D) standardization of patent regulations

Answer: <https://biology-forums.com/index.php?topic=572681>

Question 830

Which of the following is NOT a key stakeholder group that a company must work to satisfy in order to survive in a global environment?

- A) employees
- B) competitors
- C) shareholders
- D) customers

Answer: <https://biology-forums.com/index.php?topic=573468>

Question 831

The functional structure is inappropriate for firms with products and manufacturing methods that are largely undifferentiated among countries.

Answer: <https://biology-forums.com/index.php?topic=574045>

Question 832

Inbound logistics is also known as _____.

- A) internal logistics
- B) materials management
- C) the internal supply chain
- D) value-added management

Answer: <https://biology-forums.com/index.php?topic=574198>

Question 833

What is a turnkey operation?

- A) a contract for the complete construction of an operating facility for a fee
- B) a contract with a government to service one of its key industries
- C) the buying of another company
- D) the repatriation of equity

Answer: <https://biology-forums.com/index.php?topic=573916>

Question 834

Pender Pet Products is considered an opportunistic importer because the firm seeks products around the world that it can import and sell profitably to domestic consumers.

Answer: <https://biology-forums.com/index.php?topic=573863>

Question 835

Which of the following is most important when designing an internal code of conduct?

- A) requesting U.N. oversight and intervention when necessary
- B) communicating the code of conduct only to employees
- C) reporting results to external stakeholders
- D) forming local policies for each subsidiary

Answer: <https://biology-forums.com/index.php?topic=573518>

Question 836

If a foreign subsidiary is located in a low tax country, the parent company would probably use a _____.

- A) high transfer price on inventory shipped from the parent to the subsidiary
- B) high transfer price on goods sold by the subsidiary to the parent
- C) low transfer price on inventory shipped from the subsidiary to the parent
- D) tax credit price to minimize local tax liabilities

Answer: <https://biology-forums.com/index.php?topic=573424>

Question 837

OPEC is an example of a producer's cartel that is successful because of its ability to institute tariffs on oil exports.

Answer: <https://biology-forums.com/index.php?topic=573125>

Question 838

Explain the static effects and dynamic effects of economic integration. What is the difference between trade creation and trade diversion resulting from economic integration?

Answer: <https://biology-forums.com/index.php?topic=573128>

Question 839

When a company identifies a market segment on a global basis, such as a segment based on income, it will likely _____.

- A) encounter a similar percentage of the population in each country within that segment
- B) find that a niche market in one country may be a mass market in another
- C) find that the market in each country is so dispersed that distribution is difficult
- D) be aiming at a mass market in each country

Answer: <https://biology-forums.com/index.php?topic=574093>

Question 840

Coca-Cola has subsidiaries all over the world. The process of combining the results of its far-flung operations into one set of financial statements for investors is known as _____.

- A) combination
- B) translation
- C) consolidation
- D) unification of results

Answer: <https://biology-forums.com/index.php?topic=574329>

Question 841

What problems do managers commonly encounter when repatriated from foreign assignments? How can HRM improve the repatriation process?

Answer: <https://biology-forums.com/index.php?topic=574515>

Question 842

Brooke buys shares of stock in a small bakery in a foreign country in return for an ownership position and promised capital gains. This is an example of _____.

- A) equity securities
- B) debt financing
- C) playing the stock market
- D) investing in Euroequities

Answer: <https://biology-forums.com/index.php?topic=573380>

Question 843

In collectivist cultures based on kinship, security and social needs are met more effectively in the workplace than at home.

Answer: <https://biology-forums.com/index.php?topic=572604>

Question 844

Which of the following is a reason for global companies to NOT take religious beliefs into account?

- A) Religion has an impact on almost every business function.
- B) A company could get in trouble with local religious authorities.
- C) A manager's religious training should be implemented in the company he/she manages.
- D) Religion may influence consumer behavior.

Answer: <https://biology-forums.com/index.php?topic=572535>

Question 845

The United Nations' _____ measures life expectancy, educational attainment, and the standard of living in a given country.

- A) Human Development Index
- B) Emerging Economic Stability
- C) Genuine Progress Indicator
- D) Net National Product

Answer: <https://biology-forums.com/index.php?topic=572756>

Question 846

A strategic trade policy is one that develops industries to lessen dependence on foreign military goods.

Answer: <https://biology-forums.com/index.php?topic=572910>

Question 847

The Happy Planet Index measures well-being and perceptions of living conditions by assessing areas such as housing, incomes, security, and work-life balance.

Answer: <https://biology-forums.com/index.php?topic=572815>

Question 848

A go/no-go decision for foreign expansion means that management reviews existing information and decides whether more information is needed.
Answer: <https://biology-forums.com/index.php?topic=573759>

Question 849

Shelly, a sales manager at Best Computers, has recently moved from Dallas to Hong Kong for an expatriate assignment. Shelly is feeling disoriented, irritable, and stressed about her new job and living arrangements in Hong Kong, which means that she is most likely experiencing _____.
A) uncertainty dislocation
B) melancholy
C) culture shock
D) cultural transition
Answer: <https://biology-forums.com/index.php?topic=574436>

Question 850

Which of the following is NOT true about the harvesting or divestment of foreign operations?
A) One of the motives is to use resources where the performance prospects are better.
B) Companies can harvest or divest by selling existing facilities.
C) Closing a facility can be difficult because of governmental performance contracts.
D) Companies have tended to divest too soon, rather than working to improve performance.
Answer: <https://biology-forums.com/index.php?topic=573721>

Question 851

As companies expand internationally, they must change their organizational structure and operating strategies to take advantage of regional trading groups.
Answer: <https://biology-forums.com/index.php?topic=573097>

Question 852

In the global environment, firms use an international strategy, a multidomestic strategy, a global strategy, or a _____ strategy.
A) regional
B) standardization
C) transnational
D) locational
Answer: <https://biology-forums.com/index.php?topic=573615>

Question 853

As a result of the global economic crisis, the potential for profitability in all sorts of industries has _____.
A) decreased
B) increased
C) become less predictable
D) become more projectable
Answer: <https://biology-forums.com/index.php?topic=573575>

Question 854

A bond issued by a Brazilian company in British pounds in London is a _____.
A) Eurobond
B) global bond
C) local bond
D) foreign bond
Answer: <https://biology-forums.com/index.php?topic=573378>

Question 855

_____ refer(s) to the creative ideas, innovative expertise, or intangible insights that give an individual, company, or country a competitive advantage.
A) Proprietary goods
B) Exclusive ownership
C) Restrictive goods
D) Intellectual property
Answer: <https://biology-forums.com/index.php?topic=572676>

Question 856

_____ people account for the largest percentage of global production.

- A) English-speaking
- B) Mandarin-speaking
- C) French-speaking
- D) Spanish-speaking

Answer: <https://biology-forums.com/index.php?topic=572541>

Question 857

The probability of a company being an exporter is independent of the size of the company.

Answer: <https://biology-forums.com/index.php?topic=573843>

Question 858

Describe the two basic ways that companies can create value. What role does the value chain play in these methods?

Answer: <https://biology-forums.com/index.php?topic=573666>

Question 859

Most world trade takes place _____.

- A) between developed countries and developing countries
- B) among developed countries
- C) among developing countries
- D) between raw material exporters and manufacturing exporters

Answer: <https://biology-forums.com/index.php?topic=572853>

Question 860

A major criticism of offshoring is that it _____.

- A) increases production costs
- B) exchanges good jobs for bad jobs
- C) threatens the sovereignty of larger countries
- D) allows companies to avoid payment of any taxes

Answer: <https://biology-forums.com/index.php?topic=572454>

Question 861

Support activities define the infrastructure of the firm and serve as the basis for the daily implementation of primary activities in the value chain.

Answer: <https://biology-forums.com/index.php?topic=573645>

Question 862

The quest to maximize individual purchasing power compels local responsiveness.

Answer: <https://biology-forums.com/index.php?topic=573651>

Question 863

The international bond market is a major source of debt financing for which of the following?

- A) world governments
- B) regional organizations
- C) small firms
- D) small businesses

Answer: <https://biology-forums.com/index.php?topic=573375>

Question 864

All of the following would most likely improve the successful repatriation of expatriates EXCEPT _____.

- A) encouraging repatriated workers to take sabbaticals upon return
- B) developing mentoring programs to smooth transitions
- C) integrating foreign assignments into career plans
- D) providing repatriated workers with desirable jobs

Answer: <https://biology-forums.com/index.php?topic=574448>

Question 865

The WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) permits developing countries to import generic products from other countries if they don't have the capacity to produce generic drugs.

Answer: <https://biology-forums.com/index.php?topic=573546>

Question 866

A city or country that provides large amounts of funds in currencies other than its own is a(n) _____.

- A) offshore financial center
- B) ADR facilitator
- C) interbank market
- D) currency regulator

Answer: <https://biology-forums.com/index.php?topic=573404>

Question 867

According to the concept of green economics, measuring a country's economic performance should also take into account _____.

- A) market share
- B) population size
- C) ecological costs
- D) cost-of-living increases

Answer: <https://biology-forums.com/index.php?topic=572782>

Question 868

Ownership advantages refer to a firm's specific assets, international experience, and the ability to develop either low-cost or highly differentiated products within the context of its particular value chain.

Answer: <https://biology-forums.com/index.php?topic=573840>

Question 869

The term "cultural distance" refers to the _____.

- A) physical space between people during communication
- B) time it takes people to adjust to the language, traditions, and norms of a foreign culture
- C) degree to which countries differ on cultural dimensions
- D) preferred relationship between superiors and subordinates in a given culture

Answer: <https://biology-forums.com/index.php?topic=572567>

Question 870

Three types of control systems are used in MNEs. These are _____.

- A) market control, bureaucratic control, and clan control
- B) standardization control, adjustment control, and clan control
- C) market control, adjustment control, and clan control
- D) planning control, market control, and clan control

Answer: <https://biology-forums.com/index.php?topic=574026>

Question 871

Why is China most likely considering a greater reliance on the SDR?

- A) gains in the foreign-exchange market
- B) concerns about the value of the U.S. dollar
- C) demands to replace the dollar with the euro for reserves
- D) requirements by the IMF to make China's currency more flexible

Answer: <https://biology-forums.com/index.php?topic=573267>

Question 872

A company adopting a _____ strategy will likely aim to develop an organization culture that helps employees around the world unconditionally accept common goals and practices.

- A) domestic
- B) multidomestic
- C) national
- D) global

Answer: <https://biology-forums.com/index.php?topic=574036>

Question 873

Which of the following is a current trend with regards to transportation networks?

- A) increased simplicity of transporting goods internationally
- B) decreased use of third-party intermediaries to store and transport goods
- C) increased use of third-party intermediaries to store and transport goods
- D) decreased risks of managing longer global supply chains

Answer: <https://biology-forums.com/index.php?topic=574251>

Question 874

Helping a struggling domestic company through import restrictions frequently causes other countries to retaliate.

Answer: <https://biology-forums.com/index.php?topic=572994>

Question 875

_____ is an online collaboration model that brings manufacturers, distributors, value-added retailers, and customers together to execute trading transactions.

- A) Electronic data interchange (EDI)
- B) ERP (enterprise resource planning)
- C) Private technology exchange (PTX)
- D) E-commerce

Answer: <https://biology-forums.com/index.php?topic=574220>

Question 876

It is easier to predict the _____ of a change than the _____ of a change in exchange rates.

- A) altitude; magnitude
- B) depth; length
- C) timing; depth
- D) direction; magnitude

Answer: <https://biology-forums.com/index.php?topic=573297>

Question 877

Which of the following is a common shortcoming of studies examining culture in different countries and regions?

- A) Cultures are static, which leads researchers to draw false conclusions from old data.
- B) It is impossible to compare countries because of differences in data.
- C) Responses are reported in averages, which can lead to a belief in unrealistic stereotypes.
- D) People are reluctant to complain about their own cultures, so they present only positive opinions to researchers.

Answer: <https://biology-forums.com/index.php?topic=572530>

Question 878

If an MNE convinced a popular priest that its vitamin-enriched soft drink would benefit parishioners' health, the MNE would be using _____ to help bring about change.

- A) participation
- B) reward sharing
- C) an opinion leader
- D) materialistic motivation

Answer: <https://biology-forums.com/index.php?topic=572575>

Question 879

Which level of moral development involves an individual learning role-conformity from peers, parents, and laws?

- A) conventional
- B) principled
- C) autonomous
- D) preconventional

Answer: <https://biology-forums.com/index.php?topic=573475>

Question 880

Country X is withholding goods from international markets in an attempt to raise prices abroad. Such actions will be most effective for Country X if the nation _____.

- A) supports the development of substitutions
- B) provides domestic industries with tax breaks
- C) receives low-interest loans from foreign banks
- D) holds a monopoly on the product or resource

Answer: <https://biology-forums.com/index.php?topic=572956>

Question 881

The shifting of resources from inefficient to efficient companies as trade barriers fall produces static effects.

Answer: <https://biology-forums.com/index.php?topic=573106>

Question 882

A multinational enterprise (MNE) is best defined as a firm _____.

- A) that is a member of the Fortune 500
- B) with foreign business partners
- C) involved in global franchising
- D) with foreign direct investments

Answer: <https://biology-forums.com/index.php?topic=572466>

Question 883

Taylor Enterprises wants to expand its operations into Asia. Managers are focusing on countries with high degrees of economic freedom most likely because the firm is interested in a country with _____.

- A) minimal government intervention
- B) standardized minimum wages
- C) laws favoring sustainability
- D) state-run corporations

Answer: <https://biology-forums.com/index.php?topic=572778>

Question 884

How has the Kyoto Protocol affected U.S. companies operating in Europe?

- A) U.S. companies are changing the way they do business in order to comply with new emissions standards in Europe.
- B) The Kyoto Protocol has not affected U.S. companies with subsidiaries in Europe because the U.S. has not signed the Kyoto Protocol.
- C) Before U.S. companies can open any more European subsidiaries, the U.S. government must sign the Kyoto Protocol.
- D) Because the United States is not a party to the Kyoto Protocol, U.S. companies may not operate in European countries that have signed the Kyoto Protocol.

Answer: <https://biology-forums.com/index.php?topic=573505>

Question 885

Which of the following is NOT causing greater complexity in the regulation of trade?

- A) growth in export tariffs
- B) services available over the Internet
- C) heightened concern about product safety
- D) development of new products that must be classified

Answer: <https://biology-forums.com/index.php?topic=572986>

Question 886

What is the most likely reason that sales to a mass market would be necessary for a company selling internationally?

- A) gaining economies in production and distribution
- B) earning initial sales in emerging economies
- C) eliminating excess domestic capacity
- D) gaining brand recognition

Answer: <https://biology-forums.com/index.php?topic=574092>

Question 887

Offshore manufacturing is attractive because it offers high labor costs, cheap materials and components, and proximity to markets.

Answer: <https://biology-forums.com/index.php?topic=574259>

Question 888

The CEO of Coffman Enterprises wants to export products to foreign markets. However, top executives at Coffman are concerned that the firm will face fierce competition from foreign rivals because Coffman lacks significant core competencies. The executives are most likely worried that Coffman lacks _____.

- A) capital advantages
- B) internalization advantages
- C) location advantages

D) ownership advantages

Answer: <https://biology-forums.com/index.php?topic=573789>

Question 889

An arbitrageur is an exporter that seeks to conduct countertrade in emerging markets.

Answer: <https://biology-forums.com/index.php?topic=573850>

Question 890

In order to save costs and consolidate its manufacturing capacity, Samsonite has _____.

- A) decreased investment in R&D
- B) moved from a centralized configuration to a decentralized configuration
- C) increased the amount of final goods and components it outsources
- D) diversified its reseller base

Answer: <https://biology-forums.com/index.php?topic=574195>

Question 891

Global Positioning Solutions Inc. is a Utah-based company that _____.

- A) provides location assistance for global executives who travel frequently
- B) is a division of a banking syndicate in the Western part of the United States
- C) assists firms that have foreign-exchange needs but that lack in-house foreign-exchange teams
- D) started out by providing foreign exchange services that were not being offered by commercial banks

Answer: <https://biology-forums.com/index.php?topic=573350>

Question 892

In developed countries, the percentage of the working-age population (using today's standards) is expected to rise by 2050.

Answer: <https://biology-forums.com/index.php?topic=573761>

Question 893

A negotiable certificate issued by a U.S. bank to represent the underlying shares of a foreign corporation's stock is called a(n) _____.

- A) Euroequity
- B) American Depositary Receipt
- C) Global Depositary Receipt
- D) European Depositary Receipt

Answer: <https://biology-forums.com/index.php?topic=573384>

Question 894

Market-share increase and turnover ratios are examples of _____.

- A) nonfinancial evaluation metrics
- B) financial evaluation metrics
- C) cost and accounting metrics
- D) enterprise resource planning (ERP)

Answer: <https://biology-forums.com/index.php?topic=574032>

Question 895

All of the following countries have a totalitarian political system EXCEPT _____.

- A) China
- B) Russia
- C) South Korea
- D) Saudi Arabia

Answer: <https://biology-forums.com/index.php?topic=572646>

Question 896

Firms most likely borrow money in the international bond market to _____.

- A) guarantee high yields and low rates
- B) enable diversification of funding sources
- C) protect against costly government regulations
- D) allow emerging markets to invest in foreign exchange

Answer: <https://biology-forums.com/index.php?topic=573379>

Question 897

Which of the following is LEAST likely to trigger the standardization of consumer preferences?

- A) intrinsic functions of money
- B) global access to common media
- C) increasing nationalism
- D) improved communications technologies

Answer: <https://biology-forums.com/index.php?topic=573610>

Question 898

According to U.S. tax law, if a foreign subsidiary earns income, _____.

- A) its income is immediately taxable to the parent, irrespective of the type of income earned
- B) that income is not taxable to the parent company as long as the subsidiary pays income taxes in the country where it is earned
- C) passive income is taxable to the parent unless the parent company is a controlled foreign corporation
- D) active income is taxable to the parent when it is remitted as a dividend

Answer: <https://biology-forums.com/index.php?topic=573419>

Question 899

Which of the following is the primary focus of the African Union (AU)?

- A) FDI influx
- B) democracy
- C) economic integration
- D) intrazonal trade relations

Answer: <https://biology-forums.com/index.php?topic=573084>

Question 900

What is the difference between translation exposure, transaction exposure, and economic exposure?

Answer: <https://biology-forums.com/index.php?topic=573464>

Question 901

The identity of a nation is typically promoted through symbols, monuments, and museums.

Answer: <https://biology-forums.com/index.php?topic=572594>

Question 902

Which of the following is the most accurate statement about culture?

- A) Cultural variables can easily be isolated from other factors such as economic and political conditions.
- B) Although most cultural variables are universal, the forms these variables take differ from culture to culture.
- C) Most cultural variables are superficial and can easily be influenced by environmental factors.
- D) Within a culture, everyone responds to particular cultural variables the same way.

Answer: <https://biology-forums.com/index.php?topic=572528>

Question 903

A major challenge faced by Western Union in transferring money between the United States and Mexico is that Mexican citizens trust the banks but do not trust Western Union due to its reliance on global banks.

Answer: <https://biology-forums.com/index.php?topic=573238>

Question 904

What is the Foreign Corrupt Practices Act? How has this law affected ethical behavior among international businesses?

Answer: <https://biology-forums.com/index.php?topic=573559>

Question 905

A multidomestic strategy makes the most sense for companies that see high pressures for local responsiveness and low pressures for cost reductions.

Answer: <https://biology-forums.com/index.php?topic=573658>

Question 906

Executives from the home office typically demand richer compensation packages and impose higher relocation costs than third-country nationals do.

Answer: <https://biology-forums.com/index.php?topic=574459>

Question 907

The neoclassical structure implemented by Cisco primarily enables the firm to _____.

- A) respond quickly to new opportunities
- B) thoroughly assess new competitors
- C) assign leaders to new products
- D) clarify managers' duties

Answer: <https://biology-forums.com/index.php?topic=574011>

Question 908

Using a transnational strategy pushes a company to centralize some functions in optimal locations, base some functions in national subsidiaries to ensure local responsiveness, and develop wide-ranging communications among various units.

Answer: <https://biology-forums.com/index.php?topic=573662>

Question 909

According to the diamond of national advantage theory, the domestic existence of all four conditions best explains _____.

- A) the essence of an industry's development
- B) the position of a product in its life cycle
- C) where globally competitive firms develop and sustain themselves
- D) why countries rely on abundant factor endowments

Answer: <https://biology-forums.com/index.php?topic=572866>

Question 910

When analyzing the key elements of a country's economic environment, it is best to apply a systems perspective.

Answer: <https://biology-forums.com/index.php?topic=572788>

Question 911

Johnson Enterprises manufactures computer chips used in cell phones. The MNE has long production runs that lower the per unit cost of each chip. The firm also purchases materials in bulk from its suppliers with whom Johnson has long-term contracts. Johnson is most likely benefiting from _____.

- A) economies of scale
- B) the cluster effect
- C) digitization
- D) location economies

Answer: <https://biology-forums.com/index.php?topic=573602>

Question 912

An example of a first-mover advantage in international operations is _____.

- A) gaining economies of scale at a lower output level than competitors
- B) increasing sales response functions and customer service
- C) using a small country for market tests prior to entering a large country
- D) lining up the best suppliers and distributors before competitors enter the market

Answer: <https://biology-forums.com/index.php?topic=573704>

Question 913

Which of the following would have the LEAST influence on price setting in the foreign-exchange market?

- A) Morgan Stanley
- B) Deutsche Bank
- C) Western Union
- D) JP Morgan

Answer: <https://biology-forums.com/index.php?topic=573158>

Question 914

Budget versus actual comparisons, followed by some form of ROI, are most likely used by _____ MNEs.

- A) Japanese
- B) American
- C) British
- D) German

Answer: <https://biology-forums.com/index.php?topic=574336>

Question 915

Which of the following is a characteristic of most offshore financial centers?

- A) political stability
- B) services for residents
- C) accounting scandals
- D) a lack of legal expertise

Answer: <https://biology-forums.com/index.php?topic=573408>

Question 916

The degree of caution companies display in valuing assets and recognizing income is known as conservatism.

Answer: <https://biology-forums.com/index.php?topic=574356>

Question 917

Which of the following best describes the purpose of using of an opportunity-risk matrix for comparing countries?

- A) narrow alternatives so decision makers can make a detailed analysis of the strongest candidates
- B) eliminate countries that have specific unacceptable conditions
- C) determine whether to use a concentration versus diversification strategy for international expansion
- D) estimate where competitors are most likely to globalize

Answer: <https://biology-forums.com/index.php?topic=573714>

Question 918

Export controls are highly effective for digital products, such as computers, TVs, and cameras.

Answer: <https://biology-forums.com/index.php?topic=573006>

Question 919

Describe the different types of regional economic integration and give an example of each type.

Answer: <https://biology-forums.com/index.php?topic=573127>

Question 920

In which of the following situations would Company X most likely seek a collaborative arrangement with Company Z in which Company Z would handle work for Company X?

- A) Company X has excess capacity.
- B) Fixed costs for the work are high, and Company X has large volumes of work.
- C) Company X is inexperienced in outsourcing work.
- D) Fixed costs for the work are high, and Company X has small volumes of work.

Answer: <https://biology-forums.com/index.php?topic=573891>

Question 921

Johnson & Johnson distributes decision-making power among departments and divisions. This policy provides managers with a sense of ownership and control at the company. Johnson & Johnson is best described as a _____ organization.

- A) vertical
- B) centralized
- C) horizontal
- D) decentralized

Answer: <https://biology-forums.com/index.php?topic=573978>

Question 922

Which of the following best explains Nike's quick response to criticism of unfair employment practices in developing countries?

- A) retaining employees
- B) improving public relations
- C) addressing product safety concerns
- D) cutting costs in order to improve profits

Answer: <https://biology-forums.com/index.php?topic=573515>

Question 923

A firm's vertical differentiation determines where in its organization structure managers have decided to concentrate decision-making authority.

Answer: <https://biology-forums.com/index.php?topic=574040>

Question 924

A(n) _____ operates on a contractual basis and provides exclusive representation for an exporter's goods and services in a foreign market.

- A) export management company
- B) import broker
- C) invoice agent
- D) countertrader

Answer: <https://biology-forums.com/index.php?topic=573816>

Question 925

MedCo uses an IT system that labels a product with an electronic tag to provide realtime information. Which of the following does MedCo most likely use?

- A) EDI (electronic data interchange)
- B) RFID (radio frequency ID)
- C) PTX (private technology exchange)
- D) ERP (enterprise resource planning)

Answer: <https://biology-forums.com/index.php?topic=574218>

Question 926

Assume a government places restrictions on a specific product from a specific foreign country. What would be the government's most likely concern about the foreign country's response?

- A) the foreign producers raising the prices of their exports
- B) the foreign country restricting its own imports
- C) the foreign country restricting its exports in that industry
- D) the foreign producers seeking other markets

Answer: <https://biology-forums.com/index.php?topic=572933>

Question 927

According to U.S. GAAP, companies recognize transaction gains and losses in the income statement.

Answer: <https://biology-forums.com/index.php?topic=574365>

Question 928

_____ focus on offering banking and other financial services to nonresident customers.

- A) Subsidiary banks
- B) Branch banks
- C) Affiliated banks
- D) Offshore financial centers

Answer: <https://biology-forums.com/index.php?topic=573405>

Question 929

A potential problem of polycentrism is failure to introduce innovative superiority.

Answer: <https://biology-forums.com/index.php?topic=572612>

Question 930

The incremental internationalization view of exporting holds that companies first target countries that are _____ their home market.

- A) different from
- B) similar to
- C) smaller than
- D) larger than

Answer: <https://biology-forums.com/index.php?topic=573806>

Question 931

Governmental agencies and nongovernmental organizations monitor the behavior of companies and their employees to ensure that laws are being followed.

Answer: <https://biology-forums.com/index.php?topic=573530>

Question 932

Central bank reserve assets are kept in three major forms: foreign-exchange reserves, silver, and gold.

Answer: <https://biology-forums.com/index.php?topic=573320>

Question 933

What is the main challenge companies' face in listing ADRs in the United States?

- A) paying costly fees and tariffs
- B) complying with SEC reporting requirements
- C) listing shares in U.S. dollars instead of Eurodollars
- D) conducting time-consuming performance evaluations

Answer: <https://biology-forums.com/index.php?topic=573391>

Question 934

HIV/AIDS is affecting the operations of Anglo American PLC by forcing the company to invest outside of South Africa to avoid having to deal with workforce health issues.

Answer: <https://biology-forums.com/index.php?topic=573553>

Question 935

List and discuss the main components of an expatriate's compensation package.

Answer: <https://biology-forums.com/index.php?topic=574514>

Question 936

Sales potential is probably the most important variable in determining international location decisions because consumer demand exceeds supply.

Answer: <https://biology-forums.com/index.php?topic=573739>

Question 937

Which of the following is a true statement about China?

- A) The Chinese government's shift from communism to capitalism has led to an increase in FDI.
- B) China attracts FDI because the government has eliminated elaborate bureaucracies.
- C) The Chinese government manipulates market activities for political purposes.
- D) China lacks an educated pool of employees due to slowly developing industrialization.

Answer: <https://biology-forums.com/index.php?topic=572627>

Question 938

Garnet Footwear suffered significant financial losses and had to close its foreign operations. The dissolution process took six months and cost four percent of the firm's value. Where were Garnet's foreign operations most likely located?

- A) Ecuador
- B) France
- C) Japan
- D) China

Answer: <https://biology-forums.com/index.php?topic=572682>

Question 939

Micro-multinationals are firms that globalize immediately and enter countries with numerous customers, productive workers, and attractive industries.

Answer: <https://biology-forums.com/index.php?topic=573664>

Question 940

Stella, who works and lives in San Diego, wants to send money to her mother who lives in a small village south of Puerto Vallarta, Mexico. Stella typically uses Western Union to handle the transaction. Which of the following is the most likely reason that Stella uses Western Union?

- A) no fees
- B) convenience
- C) low exchange rates
- D) cross rate capability

Answer: <https://biology-forums.com/index.php?topic=573187>

Question 941

Gary is a manufacturing manager at Forman Enterprises. Gary works at the MNE's headquarters in the United States. Before Gary can implement any major changes or decisions, he must communicate and coordinate his plans with Raj, a sales manager at Forman's facility in India. Which structure is most likely used by Forman Enterprises?

- A) global
- B) matrix
- C) product division

D) geographic division

Answer: <https://biology-forums.com/index.php?topic=574005>

Question 942

_____ integration is the political and economic agreements among countries that give preference to member countries to the agreement.

- A) Global
- B) Economic
- C) Bilateral
- D) Regional

Answer: <https://biology-forums.com/index.php?topic=573035>

Question 943

Bantam Enterprises, a multi-national enterprise, makes significant efforts to avoid being perceived as socially irresponsible. What is the most likely reason for this?

- A) Social irresponsibility can lead to labor strikes by international unions.
- B) Socially irresponsible companies usually have fewer exports and more imports.
- C) Cultural barriers increase for companies that are socially irresponsible, which hinders expansion into additional countries.
- D) Social irresponsibility can lead to negative publicity from nongovernmental organizations, which could hurt a company's reputation.

Answer: <https://biology-forums.com/index.php?topic=573482>

Question 944

In a mixed economy, all dimensions of economic activity, including pricing and production decisions, are determined by a central government plan.

Answer: <https://biology-forums.com/index.php?topic=572808>

Question 945

Two forms of equity financing are private placement with a venture capital firm and the equity capital market, otherwise known as the stock market.

Answer: <https://biology-forums.com/index.php?topic=573441>

Question 946

Export intermediaries are third-party firms that market products and services abroad on behalf of manufacturers, farm groups, and distributors.

Answer: <https://biology-forums.com/index.php?topic=573867>

Question 947

The pushback against democracy has powered a rise in totalitarianism, a situation that is likely to include which of the following?

- A) increasing adoption of the principles of the rule of law
- B) growing demands worldwide for greater fairness and justice in legal proceedings
- C) increasing adoption of the principles of the rule of man
- D) suppression of state-control in the direction of legal activities

Answer: <https://biology-forums.com/index.php?topic=572666>

Question 948

Although electronic commerce offers companies an opportunity to promote their products globally, doing so brings challenges. Which of the following is NOT one of the challenges?

- A) Many households, especially in developing countries, lack access to the Internet.
- B) Setting up and implementing Internet sales can be expensive.
- C) The appeals must be differentiated for every country of the world.
- D) Switching to Internet sales can upset current distribution.

Answer: <https://biology-forums.com/index.php?topic=574144>

Question 949

Which term refers to two or more companies that share ownership of an FDI?

- A) turnkey operation
- B) transnational firm
- C) joint venture
- D) franchise

Answer: <https://biology-forums.com/index.php?topic=572465>

Question 950

Mona, a native of India, is employed by IBM in the firm's facility in New Delhi. Mona is best described as a(n) _____.

- A) expatriate
- B) local
- C) third-country national
- D) home-country national

Answer: <https://biology-forums.com/index.php?topic=574400>

Question 951

Explain the major types of classical organization structures and the advantages and disadvantages of each for international operations.

Answer: <https://biology-forums.com/index.php?topic=574070>

Question 952

What are the rules of origin and regional content provisions of NAFTA?

Answer: <https://biology-forums.com/index.php?topic=573130>

Question 953

When planning international geographic expansion, decision makers use scanning to reduce the number of options available to a manageable number for further detailed analysis.

Answer: <https://biology-forums.com/index.php?topic=573737>

Question 954

The OECD Convention against bribery is an example of a(n) _____.

- A) bilateral agreement developed for the EU
- B) agreement that targets the demand side of bribery
- C) agreement that targets the supply side of bribery
- D) UN Convention dominated by developing countries

Answer: <https://biology-forums.com/index.php?topic=573500>

Question 955

Companies most likely use the foreign-exchange market to _____.

- A) diversify their expenses from other sources
- B) convert money for use in financial transactions
- C) increase their presence on the black market
- D) acquire currency from emerging markets

Answer: <https://biology-forums.com/index.php?topic=573191>

Question 956

Which of the following is NOT a component of modern legal systems?

- A) constitutional law
- B) criminal law
- C) commercial law
- D) private law

Answer: <https://biology-forums.com/index.php?topic=572661>

Question 957

What is currency speculation? Why is it risky?

Answer: <https://biology-forums.com/index.php?topic=573245>

Question 958

All of the following are differences that need to be overcome for international collaborative arrangements to be effective EXCEPT _____.

- A) national disparities in governmental policies
- B) company variances in strategic directions and objectives
- C) governmental differences in export restrictions
- D) company diversity in management styles and structures

Answer: <https://biology-forums.com/index.php?topic=573936>

Question 959

In an FX swap, one currency is swapped for another on one date and then swapped back on a future date.

Answer: <https://biology-forums.com/index.php?topic=573213>

Question 960

What is scanning? What opportunities and risks are most relevant to scanning?

Answer: <https://biology-forums.com/index.php?topic=573766>

Question 961

Under the WTO agreement, _____.

- A) a dispute resolution mechanism allows countries to bring grievances to the WTO against countries that levy inappropriate trade discrimination measures
- B) there is no dispute resolution mechanism except for trade involving environmental products
- C) countries are allowed to place trade barriers on member countries with no particular justification, because like GATT the WTO has no enforcement mechanism
- D) tariffs are permitted to be levied by developed countries against developing countries but not against each other

Answer: <https://biology-forums.com/index.php?topic=573045>

Question 962

The European Commission is the European Union's ultimate decision-making body and is composed of the different ministers of the member countries.

Answer: <https://biology-forums.com/index.php?topic=573109>

Question 963

A financial manager in an international company would most likely be responsible for all of the following activities except.

- A) managing currency risk
- B) assessing foreign market entry
- C) learning global tax systems
- D) overseeing employee repatriation

Answer: <https://biology-forums.com/index.php?topic=573358>

Question 964

Which of the following is Walmart's competitive advantage in Mexico?

- A) Walmart purchased all Mexican retail chains and eliminated competitors.
- B) Walmart is able to transfer its "everyday low prices" concept to Mexico.
- C) Walmart offers affordable, unique products for niche markets in Mexico.
- D) Customers prefer to buy from American companies instead of Mexican companies.

Answer: <https://biology-forums.com/index.php?topic=573093>

Question 965

According to the Ethical Trading Initiative (ETI), _____.

- A) child labor cannot be used unless there are no suitable alternatives
- B) employment need not be freely chosen in order to be acceptable
- C) no harsh or inhumane treatment of workers should be allowed
- D) MNEs are not responsible for establishing codes of conduct

Answer: <https://biology-forums.com/index.php?topic=573512>

Question 966

Explain how franchising agreements differ from licensing agreements.

Answer: <https://biology-forums.com/index.php?topic=573973>

Question 967

Exporting below cost or below the home country price is called _____.

- A) countertrade
- B) an export-led development policy
- C) a strategic trade policy
- D) dumping

Answer: <https://biology-forums.com/index.php?topic=572960>

Question 968

The _____ theory seeks to define the relationship between currencies based on relative inflation.

- A) inflation growth rate

- B) revaluation
- C) purchasing power parity
- D) interest rate

Answer: <https://biology-forums.com/index.php?topic=573282>

Question 969

Which of the following types of political risks often is caused by ethnic conflict or civil disorder and includes those random political developments that adversely affect the operations of all companies in a country?

- A) systemic political risk
- B) procedural political risk
- C) catastrophic political risk
- D) distributive political risk

Answer: <https://biology-forums.com/index.php?topic=572654>

Question 970

Companies and individuals transfer capital internationally primarily because of expectations of earning higher returns.

Answer: <https://biology-forums.com/index.php?topic=572911>

Question 971

Many companies merge with or acquire other companies to gain operating efficiencies that help them compete with or become global leaders.

Answer: <https://biology-forums.com/index.php?topic=572495>

Question 972

Critics complain that pharmaceutical research budgets emphasize non-debilitating conditions common in developed countries rather than life-threatening diseases common in developing countries. People answering this criticism have contended that _____.

- A) correction of developed country conditions, such as balding, are necessary to stimulate developing country innovations that push global economic growth
- B) very small portions of research budgets actually target these non-debilitating conditions
- C) by being located almost entirely in developed countries, pharmaceutical companies lack access to locations where they can study diseases such as malaria and sleeping sickness
- D) pharmaceutical companies cannot recoup expenses for research on some of the developing country problems, so governmental research centers and nonprofit foundations should handle this research

Answer: <https://biology-forums.com/index.php?topic=574099>

Question 973

E-commerce facilitates the ability of consumers to compare prices from different distributors, which will most likely result in lower prices on products.

Answer: <https://biology-forums.com/index.php?topic=574182>

Question 974

Apex Enterprises, an MNE based in the U.S., is spending too much money on expatriate assignments. Which of the following methods would LEAST likely help Apex reduce expatriate costs?

- A) offering cross-border commuter assignments
- B) designing more short-term projects
- C) establishing a localization policy
- D) expanding core competencies

Answer: <https://biology-forums.com/index.php?topic=574409>

Question 975

Certain attitudes can link groups, such as managers, from different nations more closely than managers within a given nation. As a result, international businesspeople should most likely _____.

- A) assume that there are few significant cultural differences among nations
- B) examine relevant groups when comparing nations
- C) adopt universal operating methods
- D) avoid cultural imperialism

Answer: <https://biology-forums.com/index.php?topic=572533>

Question 976

Which of the following is NOT an advantage of ADRs to U.S. shareholders?

- A) Transfer of ownership is done in the U.S. in accordance with U.S. laws.

- B) In the event of the death of the shareholder, the estate does not go through a foreign court.
C) Settlement for trading is generally faster in the United States.
D) All of the above are advantages of ADRs.

Answer: <https://biology-forums.com/index.php?topic=573387>

Question 977

According to purchasing power parity theory, if Brazilian inflation was 6 percent and inflation in Argentina was 12 percent, the Brazilian real would be expected to _____.

- A) rise by the difference in inflation rates
B) fall by the difference in inflation rates
C) rise by 4.5 percent
D) stay the same

Answer: <https://biology-forums.com/index.php?topic=573283>

Question 978

An argument against limiting exports to unfriendly countries is that _____.

- A) the costs of the sanctions are borne by innocent people rather than by leaders
B) markets cannot be regained after the countries become friendly
C) one country's essential product is superfluous to another
D) the exporting nation's cultural identity is harmed

Answer: <https://biology-forums.com/index.php?topic=572964>

Question 979

Which of the following would most likely be reduced by vertical integration?

- A) export tariffs
B) component prices
C) product returns
D) transaction costs

Answer: <https://biology-forums.com/index.php?topic=574234>

Question 980

Tel-Comm Tek is a company that sees the world as a single market, assuming that consumer preferences and industry conditions do not vary much among countries. Tel-Comm Tek is likely to adopt a multidomestic strategy.

Answer: <https://biology-forums.com/index.php?topic=573659>

Question 981

One advantage of centralized corporate practices is a reduced risk that lower-level employees make costly, wrong decisions.

Answer: <https://biology-forums.com/index.php?topic=574042>

Question 982

Johnson & Johnson embodies its organizational culture in "The Credo," which is the firm's _____.

- A) code of conduct
B) vision statement
C) strategic plan
D) mission statement

Answer: <https://biology-forums.com/index.php?topic=573979>

Question 983

A speculator is someone who _____.

- A) trades foreign exchange illegally
B) deals in the black market in currency
C) takes positions in foreign-exchange markets to earn a profit
D) works for OTC financial institutions rather than nonfinancial corporations

Answer: <https://biology-forums.com/index.php?topic=573200>

Question 984

In which of the following transactions is one currency swapped for another on one date and then swapped back on a future date?

- A) reverse transaction
B) spot transaction

- C) FX swap
- D) outright forward transaction

Answer: <https://biology-forums.com/index.php?topic=573164>

Question 985

All of the following are generally true about trade-displaced workers EXCEPT which one?

- A) They move abroad to take new jobs.
- B) They earn less in their new jobs than they earned in their old ones.
- C) They spend their unemployment benefits on living rather than retraining.
- D) They have difficulty finding new work because of educational deficiencies.

Answer: <https://biology-forums.com/index.php?topic=572939>

Question 986

It is rare for a new company to locate its operations near competitors and suppliers.

Answer: <https://biology-forums.com/index.php?topic=572496>

Question 987

Expatriate failure, defined in broad terms, refers to the _____.

- A) manager's premature return home due to poor job performance
- B) manager's miscues, which give competitors a market advantage
- C) unintentional dilution of the company's core competency
- D) poor expatriate selection procedures of the MNE

Answer: <https://biology-forums.com/index.php?topic=574432>

Question 988

Which of the following has the greatest amount of foreign-exchange reserves in the world?

- A) China
- B) Japan
- C) Russia
- D) Taiwan

Answer: <https://biology-forums.com/index.php?topic=573265>

Question 989

Garrison Industries, a global firm, provides financial information in its annual reports in more than one currency. Garrison Industries is most likely _____.

- A) trying to provide information to users from different countries
- B) providing footnotes to clarify its accounting practices
- C) implementing global reporting requirements
- D) altering its losses to show gains

Answer: <https://biology-forums.com/index.php?topic=574315>

Question 990

The Internet supports more companies' efforts to launch a direct exporting strategy by _____.

- A) providing information quickly and inexpensively
- B) eliminating the need for highly detailed export plans
- C) letting software take over customer service responsibilities
- D) countering the power of electronic data interchange systems

Answer: <https://biology-forums.com/index.php?topic=573822>

Question 991

Phillip is an international business manager with Corbin Manufacturing. Which of the following serves as an external influence on the business decisions that Phillip makes?

- A) production plant locations
- B) host country monetary policy
- C) supply chain linkages
- D) product design standards

Answer: <https://biology-forums.com/index.php?topic=573566>

Question 992

An example of an electronic brokerage system used to trade foreign exchange is _____.

- A) Reuters
- B) Interbank Traders Ltd.
- C) Bank for International Settlements
- D) the reporting dealers clearing house

Answer: <https://biology-forums.com/index.php?topic=573161>

Question 993

Why is the argument that "anything legal is ethical" most likely insufficient?

- A) Everything that is unethical is also illegal.
- B) The law is an extremely efficient way to solve ethical dilemmas.
- C) Laws are frequently based on imprecisely defined moral concepts.
- D) Laws can never be changed; thus, rules for all possible ethical dilemmas are found in the law.

Answer: <https://biology-forums.com/index.php?topic=573487>

Question 994

An objective of neomercantilism is to build up gold reserves.

Answer: <https://biology-forums.com/index.php?topic=572891>

Question 995

One reason that companies use the foreign-exchange market is to diversify their expenses from other sources.

Answer: <https://biology-forums.com/index.php?topic=573227>

Question 996

How do cultural values such as optimism, conservatism, transparency, and secrecy affect country differences in accounting systems?

Answer: <https://biology-forums.com/index.php?topic=574385>

Question 997

A payment to a customs official to clear legitimate merchandise is permitted by the Foreign Corrupt Practices Act.

Answer: <https://biology-forums.com/index.php?topic=573540>

Question 998

On the basis of which interest rate are Euroloans often quoted?

- A) United States Prime Rate
- B) European Central Bank Offer Rate
- C) London Interbank Offer Rate
- D) International Monetary Fund Interest Rate

Answer: <https://biology-forums.com/index.php?topic=573372>

Question 999

Tax law variations around the world affect an MNE's capital budgeting, financing, and method of setting transfer prices.

Answer: <https://biology-forums.com/index.php?topic=573456>

Question 1000

Japanese _____ are groups of independent companies that work together to manage the flow of goods and services along an entire value chain.

- A) chaebol
- B) keiretsus
- C) sigmas
- D) kaizen

Answer: <https://biology-forums.com/index.php?topic=574236>

Question 1001

From the perspective of the classification of accounting systems, German and Japanese companies tend to be _____.

- A) micro-based countries
- B) strong equity market countries
- C) weak equity market countries
- D) pragmatic business countries

Answer: <https://biology-forums.com/index.php?topic=574313>

Question 1002

The U.N. Global Compact is best described as a(n) _____.

- A) corruption mandate
- B) environmental initiative
- C) external code of conduct
- D) international trade guideline

Answer: <https://biology-forums.com/index.php?topic=573517>

Question 1003

What is the Industry Organization (IO) paradigm? Discuss the underlying assumptions of this model.

Answer: <https://biology-forums.com/index.php?topic=573665>

Question 1004

Which of the following is usually NOT a factor that triggers companies to look to exports to boost total sales?

- A) maturity of the domestic market
- B) potential to leverage core competencies in foreign markets
- C) social needs in developing countries
- D) response to the market entry of a foreign rival

Answer: <https://biology-forums.com/index.php?topic=573788>

Question 1005

Although globalization may bring economic growth, critics nevertheless contend that _____.

- A) the growth is too fast
- B) the inequality of gains puts some people in a relatively worse economic situation
- C) this growth is mainly for the future, thus ignoring present economic growth needs
- D) the cultural foundations of sovereignty are supported by globalization

Answer: <https://biology-forums.com/index.php?topic=572451>

Question 1006

Which of the following problems in China is blamed for the annual loss of \$250 billion by American MNEs?

- A) intellectual property violations
- B) environmental hazards
- C) child labor violations
- D) embezzlement

Answer: <https://biology-forums.com/index.php?topic=572628>

Question 1007

In a country's balance of payments, the _____ tracks all trade activity in merchandise.

- A) capital account
- B) current account
- C) payment account
- D) deficit account

Answer: <https://biology-forums.com/index.php?topic=572775>

Question 1008

The three types of interpretative frameworks in international businesses are _____.

- A) ethnocentric, polycentric, and geocentric
- B) ethnocentric, intercentric, and monocentric
- C) monocentric, neocentric, and polycentric
- D) intracentric, geocentric, and neocentric

Answer: <https://biology-forums.com/index.php?topic=574411>

Question 1009

The recent expansion of technology has contributed to the growth in international business by creating new products that are important in world trade.

Answer: <https://biology-forums.com/index.php?topic=572491>

Question 1010

The degree of caution companies display in valuing assets and recognizing income is known as _____.

- A) conservatism
- B) transparency
- C) measurement
- D) disclosure

Answer: <https://biology-forums.com/index.php?topic=574302>

Question 1011

Which of the following statements would most likely NOT be supported by an advocate of offshoring?

- A) Offshoring increases the number of high-value jobs in the home countries of offshoring companies.
- B) Offshoring is fundamentally better for workers than the introduction of labor-saving technologies.
- C) Workers displaced due to offshoring are able to find new jobs as easily as those displaced by technology.
- D) There are upper limits to offshoring because of the lack of skilled workers willing to work permanently for low wages.

Answer: <https://biology-forums.com/index.php?topic=572453>

Question 1012

Describe total quality management.

Answer: <https://biology-forums.com/index.php?topic=574286>

Question 1013

A _____ law system is based on tradition, judge-made precedent, and usage and assigns a preeminent position to existing case law as a guide to dispute resolution.

- A) theocratic
- B) common
- C) customary
- D) civil

Answer: <https://biology-forums.com/index.php?topic=572664>

Question 1014

Andrews Enterprises, which uses an international division structure, should be able to respond quickly to foreign activities but will most likely experience costly country-to-country duplication.

Answer: <https://biology-forums.com/index.php?topic=574049>

Question 1015

Growing demand for expatriates stems from which of the following trends?

- A) the emergence of developing countries as high-growth markets
- B) the resurgence of developed countries as high-growth markets
- C) the reduced need for localized expatriate assignments
- D) the longer-term assignments created in response to the global credit crisis

Answer: <https://biology-forums.com/index.php?topic=574404>

Question 1016

Most foreign exchange is handled through voice brokers.

Answer: <https://biology-forums.com/index.php?topic=573212>

Question 1017

The Economic Freedom Index indicates that economic freedom is positively correlated with all of the following EXCEPT _____.

- A) life expectancy
- B) literacy
- C) environmental sustainability
- D) diversity

Answer: <https://biology-forums.com/index.php?topic=572732>

Question 1018

Recently, the Economist Intelligence Unit investigated the status of democracies around the globe. Relying on 60 indicators that focus on the performance of free elections, civil liberties, government functioning, political participation, and political culture in a country, the study found that _____.

- A) almost all of the world's democracies are full democracies
- B) nearly half of the world's democracies qualify as "full" or "flawed" democracies
- C) less than a quarter of the countries studied are outright authoritarian regimes

D) most democracies are hybrid political systems that share theocratic and totalitarian characteristics

Answer: <https://biology-forums.com/index.php?topic=572650>

Question 1019

An element of total quality management (TQM) that focuses on continuous improvement by identifying problems and enlisting employees to help eliminate them is known as _____.

- A) kaizen
- B) Six Sigma
- C) kanban
- D) acceptable quality level (AQL)

Answer: <https://biology-forums.com/index.php?topic=574226>

Question 1020

Microsoft has a tendency to hire home-country nationals for jobs outside the United States. Microsoft's leadership supports a(n) _____ approach to staffing.

- A) geocentric
- B) ethnocentric
- C) adaptive
- D) polycentric

Answer: <https://biology-forums.com/index.php?topic=574423>

Question 1021

Procter & Gamble exchanges cleaning products for machinery with Russia and Hungary. The nature of this transaction indicates that Procter & Gamble is engaging in _____.

- A) third-party logistics
- B) freight forwarding
- C) countertrade
- D) e-commerce

Answer: <https://biology-forums.com/index.php?topic=573833>

Question 1022

Which of the following is NOT a factor affecting the payment amount of international licensing contracts?

- A) geographic scope of the sales territory
- B) tax treaties between the parties' home countries
- C) length of time the asset will have market value
- D) market experience of using the asset elsewhere

Answer: <https://biology-forums.com/index.php?topic=573906>

Question 1023

Differences in culture, geography, and financial methods make it complicated for MNEs to identify cause-and-effect performance measures.

Answer: <https://biology-forums.com/index.php?topic=574382>

Question 1024

What general characteristics of a country should managers consider when analyzing an economic environment? What specific indicators help managers measure the economic development, performance, and potential of a country?

Answer: <https://biology-forums.com/index.php?topic=572818>

Question 1025

Tom, a manager at an MNE, has been given the task of identifying a pool of companies with which the firm might form collaborative arrangements. Which of the following activities would be LEAST useful for Tom?

- A) attending technical conferences
- B) monitoring industry journals
- C) attending trade fairs
- D) constructing turnkey facilities

Answer: <https://biology-forums.com/index.php?topic=573930>

Question 1026

_____ is the measuring of performance so that companies can respond appropriately to changing conditions.

- A) Coordination

- B) Configuration
- C) Control
- D) Compatibility

Answer: <https://biology-forums.com/index.php?topic=574215>

Question 1027

The truly experienced international firm will usually make use of various modes of operation simultaneously.

Answer: <https://biology-forums.com/index.php?topic=573962>

Question 1028

Fully convertible currencies are also called _____.

- A) external currencies
- B) hard currencies
- C) unlimited currencies
- D) soft currencies

Answer: <https://biology-forums.com/index.php?topic=573277>

Question 1029

According to the integration-responsiveness (IR) grid, consumer electronics and corporate banking are two types of industries with _____ industry pressure for global integration and _____ industry pressure for local responsiveness.

- A) low; low
- B) high; high
- C) low; high
- D) high; low

Answer: <https://biology-forums.com/index.php?topic=573614>

Question 1030

A growing number of MNEs are increasing expatriate allowances to entice employees to move overseas.

Answer: <https://biology-forums.com/index.php?topic=574507>

Question 1031

An internal code of conduct is a set of guidelines, recommendations, and rules issued by entities within society but outside the firm with the intent of affecting the behavior of international business entities in order to enhance corporate responsibility.

Answer: <https://biology-forums.com/index.php?topic=573551>

Question 1032

Trade shifting to countries within a regional trade agreement at the expense of trade with countries not in the agreement is called _____.

- A) a dynamic effect
- B) trade creation
- C) trade diversion
- D) economy of scale

Answer: <https://biology-forums.com/index.php?topic=573056>

Question 1033

Assume a government is considering import restrictions on sugar because sugar imports are hurting the domestic industry. Which of the following groups is LEAST likely to speak out on the subject?

- A) politicians in areas that grow sugar
- B) employees of sugar companies
- C) sugar company owners
- D) sugar consumers

Answer: <https://biology-forums.com/index.php?topic=572934>

Question 1034

A foreign direct investment occurs when _____.

- A) a company owns at least 25% of a foreign firm
- B) a company has a controlling interest in a foreign company
- C) foreign ownership is in private rather than government securities
- D) a foreign firm agrees to a licensing agreement with a large conglomerate

Answer: <https://biology-forums.com/index.php?topic=572464>

Question 1035

Sourcing in the home country enables a company to avoid numerous problems associated with global sourcing.

Answer: <https://biology-forums.com/index.php?topic=574271>

Question 1036

Which of the following statements is most likely FALSE?

- A) Developing countries trade mainly with developed countries.
- B) Developed countries trade mainly with other developed countries.
- C) Cultural similarity among countries enhances their trade with each other.
- D) The greater the geographic distance between countries, the greater the trade.

Answer: <https://biology-forums.com/index.php?topic=572856>

Question 1037

What is the difference between relativism and normativism? How do these concepts relate to ethical behavior in international business?

Answer: <https://biology-forums.com/index.php?topic=573555>

Question 1038

Expatriate managers located in cultures characterized by _____ have noticed that local employees are highly motivated by retirement programs.

- A) low uncertainty avoidance
- B) high future orientation
- C) low masculinity
- D) high power distance

Answer: <https://biology-forums.com/index.php?topic=572557>

Question 1039

A broker or other import consultant can help an importer minimize import duties by _____.

- A) bypassing duty rebates available through drawback provisions
- B) incurring duties by using non-bonded warehouses and foreign trade zones
- C) maximizing liability by improperly marking an import's country of origin
- D) valuing products in such a way that they qualify for more favorable duty treatment

Answer: <https://biology-forums.com/index.php?topic=573809>

Question 1040

A push strategy is most likely preferable to a pull strategy when the price of the product is high relative to incomes.

Answer: <https://biology-forums.com/index.php?topic=574172>

Question 1041

The probability that a business is engaged in exporting tends to _____.

- A) decrease with the size of the firm
- B) increase with the product life cycle
- C) decrease with the product life cycle
- D) increase with the size of the firm

Answer: <https://biology-forums.com/index.php?topic=573790>

Question 1042

Although a company may have a good track record with collaborative arrangements, this is of little help when negotiating new collaborative arrangements with different companies.

Answer: <https://biology-forums.com/index.php?topic=573965>

Question 1043

When using a budget for foreign operations, it is important for the parent company to select an exchange rate to set the budget and use that same rate to evaluate performance.

Answer: <https://biology-forums.com/index.php?topic=574373>

Question 1044

Tyrone is a production manager at Penderhall Electronics, an MNE with operations in Asia, Europe, and the United States. Tyrone has very little decision-making authority at Penderhall, since most decisions are made at headquarters and distributed downward. Which structure is most likely

used by Penderhall?

- A) centralized
- B) systematic
- C) decentralized
- D) multidomestic

Answer: <https://biology-forums.com/index.php?topic=573987>

Question 1045

Which of the following reasons most compels companies to make location decisions on one international opportunity at a time rather than comparing among two or more?

- A) The lack of comparability in data among countries renders comparison unfeasible.
- B) The information on some countries is so unreliable that companies must deal with these countries separately.
- C) Decisions are made by teams, and it is usually not feasible to give so many people time away from their usual duties to examine multiple proposals.
- D) If an important customer develops opportunities in a foreign country, a company may have little alternative except to follow that customer's lead.

Answer: <https://biology-forums.com/index.php?topic=573727>

Question 1046

Which of the following is LEAST relevant to being designated by Euromoney magazine as a top foreign-exchange dealer?

- A) capability of handling specific currencies
- B) capability of assessing cultural risk
- C) capability of handling derivatives
- D) capability of engaging in analytics

Answer: <https://biology-forums.com/index.php?topic=573208>

Question 1047

All of the following are features of the diamond of national advantage theory EXCEPT _____.

- A) firm strategy, structure, and rivalry
- B) strategic trade policy regulations
- C) related and supporting industries
- D) demand conditions

Answer: <https://biology-forums.com/index.php?topic=572864>

Question 1048

The use of JIT does not depend on the quality of incoming parts or the time of their arrival.

Answer: <https://biology-forums.com/index.php?topic=574277>

Question 1049

The more closed a society is, the more important _____ group membership is.

- A) acquired
- B) age-based
- C) education
- D) ascribed

Answer: <https://biology-forums.com/index.php?topic=572546>

Question 1050

International marketing differs from domestic marketing in that _____.

- A) marketing principles are different
- B) consumers prefer domestically made merchandise
- C) environmental variations require applying principles differently
- D) low prices are a more important competitive factor in foreign markets

Answer: <https://biology-forums.com/index.php?topic=574080>

Question 1051

According to the PLC theory, what is the most likely reason that companies manufacture products in locations with high labor rates during the introductory stage of a product's life cycle?

- A) Doing so allows use of long production runs using capital-intensive methods.
- B) Many consumers are willing to pay high costs for the newest products.
- C) Transportation costs are reduced by focusing on markets in developed countries.
- D) Import restrictions prevent production in countries other than the ones making product innovations.

Answer: <https://biology-forums.com/index.php?topic=572859>

Question 1052

A problem of using the nation as a reference point for culture is that _____.

- A) nations fail to mediate the different interests within their boundaries
- B) self-stereotypes tend to fall along national lines
- C) such an approach tends to be polycentric
- D) variations tend to be great within a country (state)

Answer: <https://biology-forums.com/index.php?topic=572532>

Question 1053

The Big Mac Index suggests that exchange rates should leave Big Mac hamburgers costing the same in the U.S. as abroad.

Answer: <https://biology-forums.com/index.php?topic=573327>

Question 1054

Which of the following is LEAST likely to trigger the breakup of a joint venture?

- A) The partners place a different degree of importance on the joint venture.
- B) The partners develop different capabilities to contribute to the joint venture.
- C) The partners come from different industries.
- D) Objectives evolve differently over time.

Answer: <https://biology-forums.com/index.php?topic=573924>

Question 1055

Identify the three common components of modern legal systems and explain their relevance to managers.

Answer: <https://biology-forums.com/index.php?topic=572720>

Question 1056

Countries often use local content regulations to determine the proportion of the product that must be made in the local market versus made outside of the local market in order to _____.

- A) maximize product safety
- B) ensure a cultural fit
- C) favor domestic companies
- D) relieve production pressures on local companies

Answer: <https://biology-forums.com/index.php?topic=572675>

Question 1057

Ian, a financial manager, is preparing to transfer to Germany where he will serve as an expatriate manager of his employer's European office. With which type of legal system will Ian most likely have to deal with in Germany?

- A) mixed
- B) common
- C) civil
- D) theocratic

Answer: <https://biology-forums.com/index.php?topic=572662>

Question 1058

All of the following are arguments for governments to limit foreign control of key industries EXCEPT which one?

- A) Host countries don't need foreign resources such as technology and export markets for these industries.
- B) History shows that home governments have used powerful foreign companies to influence policies in the countries where they operate.
- C) Important decisions can be made abroad that are contrary to the country's best interest.
- D) Foreign companies can find means of profiting in these industries without having to control them.

Answer: <https://biology-forums.com/index.php?topic=573898>

Question 1059

In a short essay, discuss how transportation, trade restrictions, domestic capacity, and country-of-origin affect companies' decisions about modes of operating internationally.

Answer: <https://biology-forums.com/index.php?topic=573968>

Question 1060

The Chicago Mercantile Exchange and NASDAQ are part of the OTC market.

Answer: <https://biology-forums.com/index.php?topic=573235>

Question 1061

Tanya is a manager at a global firm that has operations located in Brazil, India, and Japan. Tanya is in the process of making a fundamental analysis in order to forecast exchange rates in each country. Which of the following is a confidence factor that Tanya should consider in trying to predict exchange rate movements in each country?

- A) What are the expectations of the market with respect to the political environment?
- B) Have there been significant national events that have appeared in the news lately?
- C) At what rates do there appear to be buy and sell orders?
- D) What trends do the charts show?

Answer: <https://biology-forums.com/index.php?topic=573303>

Question 1062

Compare the two major approaches used to translate foreign currency financial statements, and explain how translation gains and losses are reported under these two approaches.

Answer: <https://biology-forums.com/index.php?topic=574387>

Question 1063

What assumptions underlie the theories of specialization in international trade? What are the limitations of these assumptions?

Answer: <https://biology-forums.com/index.php?topic=572922>

Question 1064

What is an international consortium?

- A) the ownership of a company by a government and a foreign company
- B) an agreement signed by most governments to protect intellectual property rights
- C) an international joint venture owned by at least three organizations
- D) an agreement between two or more governments to provide for reciprocal foreign investment protection

Answer: <https://biology-forums.com/index.php?topic=573921>

Question 1065

Abel Enterprises has implemented a system based on coordination by mutual adjustment. Which of the following would most likely be used by Abel Enterprises?

- A) strict scheduling
- B) social networking
- C) synchronized training
- D) centralized decision making

Answer: <https://biology-forums.com/index.php?topic=574025>

Question 1066

What is a key industry?

- A) an industry that is locked up competitively by domestic producers
- B) a turnkey operator specializing in the construction of infrastructure components
- C) an industry that receives government subsidies
- D) an industry that significantly affects the economy by virtue of its size or influence on other sectors

Answer: <https://biology-forums.com/index.php?topic=573897>

Question 1067

The factor proportions theory holds that countries should concentrate production on those products that use their most abundant production factors.

Answer: <https://biology-forums.com/index.php?topic=572900>

Question 1068

How do countries differ in terms of taxation? In regards to taxation, why do some MNEs turn to offshore financial centers? Why are offshore financial centers a concern to the OECD?

Answer: <https://biology-forums.com/index.php?topic=573462>

Question 1069

U.S. and U.K. companies tend to be more transparent than Japanese companies.

Answer: <https://biology-forums.com/index.php?topic=574357>

Question 1070

Which of the following is most likely a true statement regarding the rule of law? The rule of law is a hallmark of _____.

- A) a totalitarian government
- B) a democratic government
- C) societies that place ultimate power in the hands of one person
- D) countries that are considered "partly free"

Answer: <https://biology-forums.com/index.php?topic=572667>

Question 1071

According to the appropriability theory and the internalization theory, why would companies want to control their foreign operations?

Answer: <https://biology-forums.com/index.php?topic=573969>

Question 1072

Why can a company more easily pursue a global strategy when it owns 100 percent of foreign operations?

- A) The company is not likely to face overcapacity issues.
- B) The company limits foreign-exchange rate fluctuations.
- C) The company avoids communication misunderstandings.
- D) The company can sub-optimize results in one country in order to optimize results globally.

Answer: <https://biology-forums.com/index.php?topic=573886>

Question 1073

Darvin Foods is an MNE that is in the process of revising its international business strategy. Most of the firm's top executives believe that Darwin should implement a multidomestic strategy. Which of the following conditions would most likely support this type of strategy?

- A) a high need for local responsiveness and a low need to reduce costs via global integration
- B) a high need for local responsiveness and a high need to create efficiencies via global integration
- C) a low need for local responsiveness and a low need to reduce costs via global integration
- D) a low need for local responsiveness and a high need to create efficiencies via global integration

Answer: <https://biology-forums.com/index.php?topic=573623>

Question 1074

The lowering of tax rates around the world is one of the seven major forces behind recent globalization.

Answer: <https://biology-forums.com/index.php?topic=572489>

Question 1075

According to the PLC theory, at an early stage of a product's life cycle the product is likely to be made in a more _____ method than in its later stages.

- A) capital-intensive
- B) labor-intensive
- C) land-intensive
- D) low-cost

Answer: <https://biology-forums.com/index.php?topic=572858>

Question 1076

All of the following are important when establishing and managing a collaborative agreement EXCEPT _____.

- A) setting up mutual goals and expectations
- B) avoiding interference about how the partner handles its duties in the operation
- C) determining whether the agreement is reaching its goals
- D) assessing periodically whether a different operational form would be preferable

Answer: <https://biology-forums.com/index.php?topic=573933>

Question 1077

What is the LEAST likely reason that international companies are concerned about the gray market?

- A) undermining the long-term viability of the distributorship system
- B) causing a firm's operations in different countries to compete against each other
- C) requiring companies to make frequent price adjustments to capture the market
- D) preventing companies from charging what the market will bear in each country

Answer: <https://biology-forums.com/index.php?topic=574127>

Question 1078

The _____ of a country specifies the rules that regulate behavior, the processes by which laws are enforced, and the procedures used to resolve grievances.

- A) political system
- B) political philosophy
- C) philosophical orientation
- D) legal system

Answer: <https://biology-forums.com/index.php?topic=572659>

Question 1079

How is foreign exchange traded? What methods are available?

Answer: <https://biology-forums.com/index.php?topic=573249>

Question 1080

Which of the following is one of the biggest barriers to expanding the use of outsourcing?

- A) long-term independence from an external organization
- B) loss of operational control
- C) cultural opportunities in the organization
- D) language barriers

Answer: <https://biology-forums.com/index.php?topic=574238>

Question 1081

Briefly discuss the four noneconomic rationales for governmental intervention in the free movement of trade: maintaining essential industries, preventing shipments to unfriendly countries, maintaining or extending spheres of influence, and preserving national identity.

Answer: <https://biology-forums.com/index.php?topic=573030>

Question 1082

Companies new to exporting most frequently suffer over-commitment by top management in taking on the initial difficulties and financial requirements of exporting.

Answer: <https://biology-forums.com/index.php?topic=573847>

Question 1083

Few turnkey projects to date have been in remote areas of the world.

Answer: <https://biology-forums.com/index.php?topic=573957>

Question 1084

Under the current-rate method of translation, any gain or loss is known as a(n) _____.

- A) liability
- B) foreign-exchange
- C) annual net income
- D) accumulated translation adjustment

Answer: <https://biology-forums.com/index.php?topic=574333>

Question 1085

What is typically the most difficult aspect of an export plan for SMEs?

- A) finding a freight forwarder
- B) identifying core competencies
- C) creating countertrade activities
- D) targeting the right foreign market

Answer: <https://biology-forums.com/index.php?topic=573827>

Question 1086

Carrefour expanded internationally by first _____.

- A) entering adjacent countries
- B) licensing its name to other companies
- C) buying companies in foreign countries
- D) entering many countries simultaneously with small commitments in each

Answer: <https://biology-forums.com/index.php?topic=573733>

Question 1087

Each country in NAFTA sets its own tariffs to the rest of the world.

Answer: <https://biology-forums.com/index.php?topic=573119>

Question 1088

When a large company and a small company enter a collaborative arrangement, _____.

- A) the large company is expected to contribute more to the arrangement
- B) the large company is likely to be more active in the venture
- C) the small company is more likely to view the collaboration's expansion as competition to itself
- D) the small company is likely to be disadvantaged if legal action is necessary to solve a dispute

Answer: <https://biology-forums.com/index.php?topic=573925>

Question 1089

Ellen, a U.S. citizen, worked for a U.S. firm in Germany for four years and was transferred back to the firm's home office in Chicago two months ago. Ellen feels significant dissatisfaction with her job and life in Chicago, which is most likely a result of _____.

- A) reverse culture shock
- B) polycentrism
- C) culture shock
- D) ethnocentrism

Answer: <https://biology-forums.com/index.php?topic=572568>

Question 1090

Demand for a country's independently floating currency is a function of the demand for that country's goods, services, and financial assets.

Answer: <https://biology-forums.com/index.php?topic=573318>

Question 1091

Export-led development refers to _____.

- A) a country's efforts to promote its exports in order to reduce its trade deficits
- B) a policy to promote domestic production of goods that would otherwise be imported
- C) a program to promote industries with export potential
- D) decreases in infrastructure development due to the loss of revenue from export tariffs

Answer: <https://biology-forums.com/index.php?topic=572949>

Question 1092

The various activities of HRM perform best when managers link them to the strategy of the firm.

Answer: <https://biology-forums.com/index.php?topic=574454>

Question 1093

According to the A.T. Kearny/Foreign Policy Globalization Index, countries _____.

- A) tend to be ranked similarly on all four dimensions
- B) are more globalized on the political dimension than on personal contact
- C) that are large in land mass and population are less globalized than small countries
- D) sometimes rank high on one dimension and low on another

Answer: <https://biology-forums.com/index.php?topic=572431>

Question 1094

Which of the following is LEAST connected to superior HR management at an MNE?

- A) increased productivity
- B) competitive advantage
- C) foreign regulations
- D) value creation

Answer: <https://biology-forums.com/index.php?topic=574399>

Question 1095

A firm is currently seeking resources from foreign countries. Which of the following is the LEAST likely reason for doing so?

- A) manufacturing products at a lower cost
- B) gaining knowledge about a specific market
- C) following a customer into the global market

D) differentiating its products from the competition

Answer: <https://biology-forums.com/index.php?topic=572458>

Question 1096

A situation in which several banks pool resources in the Eurocurrency market to extend credit to a borrower and spread the risk is known as _____.

- A) credit collaboration
- B) leverage equity financing
- C) syndication
- D) short-term Eurocurrency financing

Answer: <https://biology-forums.com/index.php?topic=573373>

Question 1097

Advantages of adopting a polycentric approach include which of the following?

- A) capitalizing on the availability of qualified local managers
- B) helping transfer core competencies from the home nation to local subsidiaries
- C) increasing the international career mobility for local managers
- D) offsetting tendencies for the company to adapt excessively to the local market

Answer: <https://biology-forums.com/index.php?topic=574419>

Question 1098

Governments primarily cooperate through treaties to create a global division of labor.

Answer: <https://biology-forums.com/index.php?topic=572497>

Question 1099

When a company wants to be compensated in a foreign subsidiary beyond its contribution in capital and managerial resources, it often _____.

- A) licenses intangible property to its subsidiary
- B) negotiates a special agreement with the host government
- C) establishes a management contract
- D) sets up an equity alliance

Answer: <https://biology-forums.com/index.php?topic=573907>

Question 1100

In the U.S., the unemployment rate indicates the _____.

- A) percentage of the labor force that wants to work full-time but can only find part-time employment
- B) number of people who have stopped looking for work because full-time jobs are unavailable
- C) percentage of unemployed workers seeking paid work relative to the total labor force
- D) number of workers eligible for government services and unemployment benefits

Answer: <https://biology-forums.com/index.php?topic=572764>

Question 1101

Improvements in transportation and communications enable managers to better oversee foreign operations.

Answer: <https://biology-forums.com/index.php?topic=572492>

Question 1102

A typical U.S. company uses the following balance sheet format: assets = liabilities + shareholders' equity.

Answer: <https://biology-forums.com/index.php?topic=574353>

Question 1103

What are the three levels of quality standards?

- A) general, industry-specific, and company
- B) general, international, and domestic
- C) employee, company, and customer
- D) company, international, and industry-specific

Answer: <https://biology-forums.com/index.php?topic=574228>

Question 1104

Most people's basic value system is _____.

- A) modified significantly between childhood and adulthood

- B) altered during adulthood through imposition
- C) affected primarily by teenage peer pressure
- D) acquired mainly during early childhood

Answer: <https://biology-forums.com/index.php?topic=572536>

Question 1105

What is the difference between exporting and importing? What are the unique characteristics of service exports and service imports?

Answer: <https://biology-forums.com/index.php?topic=573868>

Question 1106

Risk is an important factor for companies engaged in international business. One way a collaborative arrangement helps minimize risk when operating abroad is by _____.

- A) reducing the possibility of technological appropriation
- B) freeing up resources so a company can diversify into more countries
- C) preventing the entry of new competitors
- D) eliminating losses from exchange rate depreciation abroad

Answer: <https://biology-forums.com/index.php?topic=573894>

Question 1107

The most common type of tariff is the _____ tariff.

- A) export
- B) import
- C) transit
- D) ad valorem

Answer: <https://biology-forums.com/index.php?topic=572968>

Question 1108

ADRs that are created at the request of a foreign firm wanting its shares traded in the United States are _____.

- A) facilitated
- B) unfacilitated
- C) sponsored
- D) unsponsored

Answer: <https://biology-forums.com/index.php?topic=573388>

Question 1109

Which of the following governmental actions is LEAST likely to increase national debt?

- A) macroeconomic stimulus plans
- B) unemployment benefits
- C) corporate bailouts
- D) T-bond sales

Answer: <https://biology-forums.com/index.php?topic=572786>

Question 1110

Transfer pricing is a strategy that may be used by MNEs to

- A) reduce consolidated corporate income taxes.
- B) partially finance a subsidiary in another country.
- C) transfer funds from a subsidiary to the parent corporation.
- D) all of the above.

Answer: <https://biology-forums.com/index.php?topic=573422>

Question 1111

The four favorable domestic conditions of the diamond of national advantage help to explain how and where globally competitive companies develop and sustain themselves.

Answer: <https://biology-forums.com/index.php?topic=572908>

Question 1112

Foreman Enterprises produces and sells a variety of products for the home. Foreman recently introduced a new detergent at a very low price with the hope that a high number of consumers will try it out. Foreman is most likely using a _____ strategy.

- A) cost-plus

- B) skimming
- C) penetration
- D) diversification

Answer: <https://biology-forums.com/index.php?topic=574123>

Question 1113

A civil law system anchors itself in the wisdom of daily experience or, more intellectually, great spiritual or philosophical traditions.

Answer: <https://biology-forums.com/index.php?topic=572707>

Question 1114

The Ethical Trading Initiative (ETI) is primarily focused on _____.

- A) fair trade laws for undeveloped countries
- B) tiered pricing by pharmaceutical firms
- C) greenhouse gas emission reduction
- D) employment practices of MNEs

Answer: <https://biology-forums.com/index.php?topic=573511>

Question 1115

Exporters employ an export management company as part of an indirect exporting strategy.

Answer: <https://biology-forums.com/index.php?topic=573854>

Question 1116

The argument for using import controls to promote exports is partially premised on the assumption that other countries will remove their import restrictions as a result.

Answer: <https://biology-forums.com/index.php?topic=573003>

Question 1117

MNEs typically design their control systems in terms of either market control, bureaucratic control, or adaptation control.

Answer: <https://biology-forums.com/index.php?topic=574058>

Question 1118

A useful way to understanding the purpose of strategy is to think of the firm as a(n) _____, composed of a series of distinct activities, including production, marketing, materials management, R&D, human resources, information systems, and the firm infrastructure.

- A) activity network
- B) value constellation
- C) task succession
- D) value chain

Answer: <https://biology-forums.com/index.php?topic=573595>

Question 1119

New configurations of value activities create coordination and control challenges that cannot be addressed by the functionality outlined in a formal structure.

Answer: <https://biology-forums.com/index.php?topic=574039>

Question 1120

Labor and capital mobility are intertwined because _____.

- A) illegal workers sometimes pay large sums to people who smuggle them into another country
- B) people cannot emigrate to another country unless they bring capital with them
- C) companies receive tax benefits for hiring immigrants
- D) immigrants bring an investment in human capital with them

Answer: <https://biology-forums.com/index.php?topic=572875>

Question 1121

The formation of CARICOM has primarily been triggered by the desire of Jamaica, Trinidad, and Tobago to expand the region's market size and attract more FDI.

Answer: <https://biology-forums.com/index.php?topic=573121>

Question 1122

Using a concentrated configuration, an MNE performs value activities in different countries.

Answer: <https://biology-forums.com/index.php?topic=573646>

Question 1123

The international mobility of labor includes workers, students, tourists, and retirees who travel to another country.

Answer: <https://biology-forums.com/index.php?topic=572912>

Question 1124

The primary objective of the International Monetary Fund is to _____.

- A) encourage euro adoption
- B) promote exchange rate stability
- C) establish a unilateral system of payments
- D) foster the power of the foreign-exchange market

Answer: <https://biology-forums.com/index.php?topic=573250>

Question 1125

Sarah, a manager at Farley Enterprises, an MNE with operations in Asia, Europe, and North America, is using past trends in exchange rate movements to spot future trends. Which type of forecasting approach is Sarah most likely using?

- A) fundamental
- B) technical
- C) application
- D) economic

Answer: <https://biology-forums.com/index.php?topic=573293>

Question 1126

All of the following are examples of international labor mobility EXCEPT _____.

- A) a manager assigned by an MNE to work short-term abroad
- B) a refugee who takes up employment in another country
- C) a college student on a study abroad program
- D) an illegal immigrant working in another country

Answer: <https://biology-forums.com/index.php?topic=572874>

Question 1127

Eileen, a manager at an international restaurant chain, wants to know if it will be most cost effective to buy 1,000 pounds of sugar in Country X or in Country Y using U.S. dollars. Which of the following is Eileen most likely trying to determine?

- A) purchasing power parity
- B) economic growth rate
- C) gross domestic income
- D) gross national product

Answer: <https://biology-forums.com/index.php?topic=572755>

Question 1128

An example of a U.S. merchandise import is an automobile made in _____ and sold _____.

- A) the United States by a Japanese company; in the United States
- B) the United States by a Japanese company; outside the United States
- C) Japan by a Japanese company; in the United States
- D) Japan by a U.S. company; outside the United States

Answer: <https://biology-forums.com/index.php?topic=572460>

Question 1129

Presently, which of the following countries is best characterized as a pure example of a command economy?

- A) Russia
- B) North Korea
- C) China
- D) Vietnam

Answer: <https://biology-forums.com/index.php?topic=572780>

Question 1130

Limitation of logging in the Amazon region is generally viewed as environmentally beneficial for the planet as a whole; however, unemployed Brazilian

workers have felt that job creation inside Brazil is more important than climate protection outside Brazil. This example best illustrates which of the following?

- A) why smaller countries are concerned that large international companies are powerful enough to dictate operating terms
- B) why globalization is needed to foster uniform standards for combating environmental problems
- C) how cultural homogeneity threatens the cultural foundation of smaller nations
- D) how global interests can conflict with a country's local interests

Answer: <https://biology-forums.com/index.php?topic=572450>

Question 1131

An American investing in a London-based company is an example of interest arbitrage.

Answer: <https://biology-forums.com/index.php?topic=573233>

Question 1132

Institutional development of services by business and government has aided the expansion of international business by _____.

- A) providing a universally agreed upon language for conducting international transactions
- B) removing immigration restrictions so that global firms can move personnel easily
- C) developing means to ease the flow of goods among countries
- D) spurring competition among domestic producers

Answer: <https://biology-forums.com/index.php?topic=572433>

Question 1133

In a brief essay, discuss the concepts of transfer pricing and hedging.

Answer: <https://biology-forums.com/index.php?topic=574390>

Question 1134

Fundamental forecasters assume that if current exchange rates reflect all facts in the market, then under similar circumstances, future rates will follow the same patterns.

Answer: <https://biology-forums.com/index.php?topic=573330>

Question 1135

You are the chief financial officer at an MNE. What are your main responsibilities in this position? What taxation issues have a significant effect on the decisions you make?

Answer: <https://biology-forums.com/index.php?topic=573457>

Question 1136

Political, legal, economic, monetary, and institutional forces comprise the _____ of international business and influence managers' actions.

- A) environment
- B) competition
- C) culture
- D) threat

Answer: <https://biology-forums.com/index.php?topic=573565>

Question 1137

The concept of organization includes how a company does all of the following EXCEPT _____.

- A) specifies the framework for work
- B) develops systems that coordinate and control tasks
- C) cultivates a common workplace culture among employees
- D) plans leadership and training programs to develop the managerial staff

Answer: <https://biology-forums.com/index.php?topic=573983>

Question 1138

U.S.-based MNEs do not like to use the balanced scorecard for evaluation performance because it does not take into consideration international differences.

Answer: <https://biology-forums.com/index.php?topic=574378>

Question 1139

Deciding whether to establish production facilities in many different countries or in one centralized location is part of the _____.

- A) cultural matrix
- B) Six Sigma process

- C) manufacturing configuration
- D) innovation matrix

Answer: <https://biology-forums.com/index.php?topic=574213>

Question 1140

Although English is referred to as the "international language of business," _____.

- A) it is less frequently used than French in international business
- B) there is a growing disagreement over which version of English to use, e.g. British, American, or Australian
- C) companies headquartered outside English-speaking countries all use their official language as their operating language
- D) monolingual English speakers may experience more difficulty in the future in communicating on a worldwide basis

Answer: <https://biology-forums.com/index.php?topic=572543>

Question 1141

Costa Rica's recent economic transformation to depend more on high-tech manufacturing is largely due to its adoption of _____ trade policy.

- A) an import substitution
- B) a comparative advantage
- C) a factor proportions
- D) a strategic

Answer: <https://biology-forums.com/index.php?topic=572885>

Question 1142

What are the various types of collaborative arrangement options available to international businesses? How can firms most effectively manage international collaborative arrangements?

Answer: <https://biology-forums.com/index.php?topic=573977>

Question 1143

The benefits of retaining a core competency within a company and purposefully threading that core competency through the value chain are referred to as _____ advantages.

- A) internalization
- B) domestic
- C) location
- D) ownership

Answer: <https://biology-forums.com/index.php?topic=573785>

Question 1144

How does arbitrage differ from speculation?

- A) Speculation, unlike arbitrage, is never used to protect against risk.
- B) A speculator buys or sells foreign currency with the hope that that currency will either weaken or strengthen in the future, resulting in a profit.
- C) Speculation is the purchase of foreign currency on one market for the immediate resale on another market.
- D) Arbitrage is another way to speculate for profit or protect against risk.

Answer: <https://biology-forums.com/index.php?topic=573205>

Question 1145

Economic indicators such as GNI, and its expression in terms of per capita, growth rate, and PPP, are not sufficient to develop a clear picture of the overall quality of life in a country.

Answer: <https://biology-forums.com/index.php?topic=572792>

Question 1146

In most cases, which type of government protection assistance is most controversial?

- A) business development services
- B) foreign business contacts
- C) trade expositions
- D) tariffs

Answer: <https://biology-forums.com/index.php?topic=572973>

Question 1147

Fidelity Manufacturing is considering expanding its operations into the Philippines. A manager at Fidelity has the task of predicting political risk in the Philippines. Which of the following approaches should the manager LEAST use to accomplish the task?

- A) analyzing the market share of competitors in the country

- B) analyzing the country's past political patterns and trends
- C) seeking and analyzing opinions of influential people in the country
- D) examining social and economic conditions within the country

Answer: <https://biology-forums.com/index.php?topic=573695>

Question 1148

What factors makes international pricing and distribution more complex than domestic pricing and distribution?

Answer: <https://biology-forums.com/index.php?topic=574185>

Question 1149

Ethnocentrism in international business refers to the _____.

- A) study of group ethics and approaches to corporate social responsibility
- B) comparison of the Protestant ethic with other religious views
- C) belief that what works best at home should work best everywhere
- D) ethnic segmentation of marketing programs within countries

Answer: <https://biology-forums.com/index.php?topic=572570>

Question 1150

Advocates of the comparable access argument for trade protection primarily assert that domestic industries _____.

- A) will deteriorate in countries that have lower import restrictions than their trading partners
- B) should be required to implement export-led development policies on foreign competitors
- C) are entitled to the same access to foreign markets as foreign industries have to their markets
- D) are forced to lower prices for domestic consumers because of foreign import restrictions

Answer: <https://biology-forums.com/index.php?topic=572952>

Question 1151

Export prices of primary products fluctuate less than export prices of manufactured products.

Answer: <https://biology-forums.com/index.php?topic=573000>

Question 1152

Why is the United States both an exporter and importer of such products as vehicles and passenger aircraft?

- A) Buyers procure similar products for replacement parts.
- B) Transportation costs and cultural differences limit exporters.
- C) Companies differentiate products to appeal to different consumers.
- D) Bilateral trading agreements require this interchange for a number of products.

Answer: <https://biology-forums.com/index.php?topic=572855>

Question 1153

Understanding trade theories helps companies know if they will need to compete against goods and services produced abroad.

Answer: <https://biology-forums.com/index.php?topic=572888>

Question 1154

Lesser-known franchisors sometimes enter foreign countries with company-owned outlets. A reason for doing this is to _____.

- A) guarantee profits
- B) avoid competition
- C) compete with local stores
- D) attract potential franchisees

Answer: <https://biology-forums.com/index.php?topic=573910>

Question 1155

Regional integration is better known as global integration through the World Trade Organization.

Answer: <https://biology-forums.com/index.php?topic=573095>

Question 1156

Because many regional trading groups prohibit companies from producing in more than one member country, companies need to understand how to evaluate international geographic alternatives.

Answer: <https://biology-forums.com/index.php?topic=573735>

Question 1157

In comparing international and domestic marketing, it is best to state that _____.

- A) similar principles are at work
- B) mass-market orientations are most effective
- C) principles differ for product and price, but not for advertising
- D) the differences between them can be studied through gap analysis

Answer: <https://biology-forums.com/index.php?topic=574081>

Question 1158

The Japanese yen makes up the largest portion of the international bond market.

Answer: <https://biology-forums.com/index.php?topic=573436>

Question 1159

Which of the following states that the country with the higher interest rate should have the higher inflation?

- A) the Fisher Effect
- B) the International Fisher Effect
- C) the Interest Rate Inflation Theory
- D) the Forward rate theory

Answer: <https://biology-forums.com/index.php?topic=573288>

Question 1160

Which of the following is most likely a benefit for firms that participate in the global capital market?

- A) numerous investment opportunities
- B) large pool of financing sources
- C) equally balanced capital structure
- D) quick sale of stocks and bonds

Answer: <https://biology-forums.com/index.php?topic=573367>

Question 1161

Dispersing value activities where and in how many places in the world is the issue of _____.

- A) logistics
- B) clustering
- C) coordination
- D) configuration

Answer: <https://biology-forums.com/index.php?topic=573599>

Question 1162

Under mercantilism, colonial powers sought to run trade surpluses with their colonies by preventing the colonies from manufacturing.

Answer: <https://biology-forums.com/index.php?topic=572889>

Question 1163

Hotel chains are large providers of international management services through collaborative operations. All of the following are reasons for this EXCEPT which one?

- A) Some governments have restricted foreign ownership in hotels.
- B) Local hotel owners may be very knowledgeable about real estate, but know little about hotel operations.
- C) Local companies can forego making a capital investment.
- D) Hotel chains can offer global brand recognition.

Answer: <https://biology-forums.com/index.php?topic=573915>

Question 1164

Compared to the European Union, the North American Free Trade Agreement _____.

- A) has a stronger currency linkage due to the U.S. dollar
- B) has more trade problems since it is a customs union
- C) is significantly larger in population and total GNI
- D) is slightly smaller in population and GDP

Answer: <https://biology-forums.com/index.php?topic=573078>

Question 1165

The concept of liquidity preference in international operations refers to _____.

- A) a company's willingness to accept a lower rate of return on investments in countries where it can more easily sell them and convert the proceeds at a favorable rate
- B) a company's willingness to accept lower rates of return in poor countries that really need the investments
- C) management's need to maintain sufficient funds, preferably in local currency, in each country of operation to ensure meeting daily cash needs
- D) investors' preference for foreign stocks over foreign bonds because of the larger market for them

Answer: <https://biology-forums.com/index.php?topic=573696>

Question 1166

In a(n) _____ culture, people tend to regard seemingly peripheral information as pertinent to decision making and infer meanings from things that people say either indirectly or casually.

- A) pragmatic
- B) idealistic
- C) fatalistic
- D) high-context

Answer: <https://biology-forums.com/index.php?topic=572559>

Question 1167

What are export management companies, and how do they help potential exporters?

Answer: <https://biology-forums.com/index.php?topic=573874>

Question 1168

The infant-industry argument for trade protection holds that an industry needs government protection from imports until it becomes competitive enough in world markets.

Answer: <https://biology-forums.com/index.php?topic=572997>

Question 1169

Companies have found that superior human resources are instrumental to improving their ability to create and sustain competitive advantage.

Answer: <https://biology-forums.com/index.php?topic=574456>

Question 1170

When a company sells technologically advanced products to global customers, it is more likely to handle distribution itself.

Answer: <https://biology-forums.com/index.php?topic=574178>

Question 1171

The primary benefit of neoclassical structures is the ability of MNEs to coordinate responses and maintain effective control of various units.

Answer: <https://biology-forums.com/index.php?topic=574066>

Question 1172

Given the daily volume of foreign-exchange transactions, it is most accurate to say which of the following?

- A) It is impossible for a government's interventions in the foreign-exchange market to affect market psychology.
- B) A government's intervention in the foreign-exchange market can reverse a currency's slide for the long term.
- C) A government's intervention cannot force the foreign-exchange market to move in a determined direction.
- D) A government should focus more on intervening in foreign-exchange markets than on correcting economic fundamentals.

Answer: <https://biology-forums.com/index.php?topic=573270>

Question 1173

A company's overall geographic strategy should be flexible enough to _____.

- A) implement concentration strategies instead of diversification strategies
- B) respond to new opportunities and withdraw from less profitable ones
- C) import from anywhere in the world to a single production location
- D) export anywhere in the world from a single production location

Answer: <https://biology-forums.com/index.php?topic=573679>

Question 1174

A country's central bank is responsible for _____.

- A) distributing money to foreign countries that are in a debt crisis
- B) encouraging disorderly conditions in foreign-exchange markets
- C) the policies affecting the value of its country's currency

D) establishing foreign-exchange markets

Answer: <https://biology-forums.com/index.php?topic=573271>

Question 1175

Some observers feel that international institutions and the people working in them cannot adequately handle the complexities of an interconnected world. Based on this, these observers believe that _____.

- A) globalization will slow in the future
- B) globalization is nevertheless inevitable
- C) international business will grow primarily on a regional basis
- D) private companies will replace international organizations in running the world's economy

Answer: <https://biology-forums.com/index.php?topic=572479>

Question 1176

When a company is seeking protection from imports, it can usually improve its chances of getting that protection if it allies with most of the companies in the industry.

Answer: <https://biology-forums.com/index.php?topic=573020>

Question 1177

The market for shares sold outside the boundaries of the issuing company's home country is the _____.

- A) Eurocurrency market
- B) international bond market
- C) international equity market
- D) Euroequity market

Answer: <https://biology-forums.com/index.php?topic=573381>

Question 1178

A current account deficit suggests that a country is importing more than it is exporting and building up foreign debt.

Answer: <https://biology-forums.com/index.php?topic=573335>

Question 1179

Geographical barriers typically affect distribution channels within countries, but they rarely affect distribution channels between countries.

Answer: <https://biology-forums.com/index.php?topic=572509>

Question 1180

According to the teleological approach, individuals base moral decisions on _____.

- A) personal and social responsibilities
- B) consequences of an action
- C) cultural value systems
- D) opinions of peers

Answer: <https://biology-forums.com/index.php?topic=573477>

Question 1181

The term protectionism, when applied to international trade, refers to _____.

- A) governmental restrictions and competitive support actions to affect trade flows
- B) payments to dock workers to prevent pilferage of imported shipments
- C) border checks to prevent entry of illegal aliens
- D) methods used to prevent intellectual property theft

Answer: <https://biology-forums.com/index.php?topic=572929>

Question 1182

There is a strong yet inconsistent relationship between the strategic performance of an MNE and the decisions it has made in managing its human resources.

Answer: <https://biology-forums.com/index.php?topic=574455>

Question 1183

Which of the following best explains why foreign subsidiary managers are often reluctant to propose divestments in the countries where they are working?

- A) They are afraid of proposing the elimination of their jobs.
- B) They are usually poorly trained in how to sell units or how to close them down.

C) They are too nationalistic to examine political risk objectively.
D) Many are in countries where the cultural attribute of power-distance is very high.
Answer: <https://biology-forums.com/index.php?topic=573722>

Question 1184

The shifting of national borders has most likely created which of the following situations for international business?
A) It has left rural residents more isolated from technology.
B) It has complicated the understanding of behavioral factors affecting business.
C) It has increased physical barriers to exporting.
D) It has slowed communications between a company's headquarters and foreign operations.
Answer: <https://biology-forums.com/index.php?topic=572428>

Question 1185

What is the most likely reason that governments cooperate with each other through treaties, agreements, and consultations?
A) to gain an advantageous division of labor
B) to be in compliance with United Nations' requirements
C) to attack problems jointly that one country acting alone cannot solve
D) to assure that all countries get an equitable share of taxes from multinational enterprises
Answer: <https://biology-forums.com/index.php?topic=572447>

Question 1186

A problem that can arise in using trade protectionism to develop international competitiveness for a domestic industry is that _____.
A) it is difficult to identify industries that have a high probability of reaching competitiveness
B) assistance should be given only if entry barriers to new firms are very low
C) the protecting countries lose too much revenue from import duties
D) a short product life cycle makes the industry quickly noncompetitive
Answer: <https://biology-forums.com/index.php?topic=572942>

Question 1187

The Financial Accounting Standards Board and International Accounting Standards Board allow firms to use the current-rate method or the temporal method to translate foreign currency financial statements into the currency of the parent company.
Answer: <https://biology-forums.com/index.php?topic=574369>

Question 1188

The Malcolm Baldrige National Quality Award is an example of a general standard that is presented annually to companies that demonstrate quality strategies and achievements.
Answer: <https://biology-forums.com/index.php?topic=574267>

Question 1189

Dispersed value chains make sense when costs vary across countries.
Answer: <https://biology-forums.com/index.php?topic=573647>

Question 1190

Executives want to set export prices below those that the firm charges domestically. What is the most likely problem the company will experience?
A) WTO antidumping regulations
B) consumer complaints
C) FDI restrictions
D) high tariffs
Answer: <https://biology-forums.com/index.php?topic=574121>

Question 1191

A company that exports products at a price lower than its domestic market price is using a skimming policy abroad.
Answer: <https://biology-forums.com/index.php?topic=574167>

Question 1192

When free mobility of factors of production is added to a common market, the result is a customs union.
Answer: <https://biology-forums.com/index.php?topic=573104>

Question 1193

In assessing political risk, the observation of past patterns is problematic because situations may change for better or worse.

Answer: <https://biology-forums.com/index.php?topic=573744>

Question 1194

Falcon Enterprises is an MNE that uses price competition and relative market share to establish internal performance benchmarks and standards. The firm is most likely applying a system of _____.

- A) bureaucratic control
- B) market control
- C) standardization control
- D) clan control

Answer: <https://biology-forums.com/index.php?topic=574027>

Question 1195

The opportunity to increase profitability is the primary reason that firms decide to export.

Answer: <https://biology-forums.com/index.php?topic=573838>

Question 1196

Which of the following is one of the main purposes of FTZs?

- A) discouraging companies to locate in the host country
- B) forcing countries to pay extra duties
- C) discouraging companies from using JIT
- D) allowing countries to defer duties

Answer: <https://biology-forums.com/index.php?topic=574248>

Question 1197

Skinner Electronics plans to expand into foreign markets. Top executives want the firm to focus only on locations where the rule of law prevails. Which of the following should most likely be considered by Skinner?

- A) wealthier, westernized countries
- B) developing, non-Western countries
- C) emerging economies experiencing rapid growth
- D) countries inclined toward totalitarian-style government

Answer: <https://biology-forums.com/index.php?topic=572669>

Question 1198

Germanic and Japanese companies tend to be more optimistic than U.S. and U.K. companies.

Answer: <https://biology-forums.com/index.php?topic=574355>

Question 1199

All of the following are potential problems of using export controls EXCEPT which one?

- A) There is an incentive for other countries to develop production of their own.
- B) Domestic producers may have less incentive to increase output.
- C) Prices go up in the country imposing the controls.
- D) There is more incentive for smuggling.

Answer: <https://biology-forums.com/index.php?topic=572959>

Question 1200

When a company wishes to introduce change in a foreign country, its likelihood of success can most likely be improved by _____.

- A) introducing many changes simultaneously
- B) gaining the support of local opinion leaders
- C) agreeing to make some home-country changes in return
- D) employing expatriate managers to supervise local workers

Answer: <https://biology-forums.com/index.php?topic=572574>

Question 1201

Arden Shoes runs a different marketing campaign every four weeks abroad. Which of the following best describes the advantage of doing so?

- A) It enables Arden to attract more sales personnel.
- B) It helps Arden create an image of having quality products.

- C) It allows Arden to change prices in highly inflationary economies.
D) It enables Arden to switch quickly and inexpensively to a local emphasis.

Answer: <https://biology-forums.com/index.php?topic=574150>

Question 1202

What is the primary problem associated with Anglo American PLC's ART program?

- A) unknown side effects to drugs and treatment
B) rising costs of medications and procedures
C) poor treatment adherence by employees
D) lack of sufficient insurance coverage

Answer: <https://biology-forums.com/index.php?topic=573520>

Question 1203

Governments use a multiple exchange rate system to _____.

- A) increase their budget surplus
B) reduce exports
C) control foreign-exchange convertibility
D) limit deposit requirements

Answer: <https://biology-forums.com/index.php?topic=573278>

Question 1204

Capital budgeting is best described as the _____.

- A) process that determines which countries will receive capital investment funds
B) procedure for determining the proper mix of debt and equity for a country
C) proper management of a country's current assets and liabilities
D) simplification of corporate tax procedures

Answer: <https://biology-forums.com/index.php?topic=573412>

Question 1205

Communism primarily relies on a system of _____.

- A) private business ownership
B) competitive pricing and marketing
C) market-generated supply and demand
D) government controlled economic activity

Answer: <https://biology-forums.com/index.php?topic=572737>

Question 1206

When the currency value in the location where a company produces becomes stronger, the company most likely needs to adjust its margins downward to be competitive in export markets.

Answer: <https://biology-forums.com/index.php?topic=574170>

Question 1207

Inbound logistics is also known as materials management.

Answer: <https://biology-forums.com/index.php?topic=574254>

Question 1208

The make-or-buy decision applies only to domestic firms.

Answer: <https://biology-forums.com/index.php?topic=574275>

Question 1209

You are the manager of an SME in the United States, and your firm wants to begin exporting. Since you have never been involved with exporting, there are many compelling reasons that encourage contacting the _____ to obtain expert counseling on exporting.

- A) U.S. Treasury Department
B) Small Business Administration
C) Federal Credit Insurance Association
D) U.S. Commerce Department

Answer: <https://biology-forums.com/index.php?topic=573805>

Question 1210

NAFTA was primarily formed because the member nations have _____.

- A) static and dynamic liberalization policies
- B) similarly sized economies and resources
- C) geographic proximity to each other
- D) competing interests with the EU

Answer: <https://biology-forums.com/index.php?topic=573076>

Question 1211

The three variables predicted by forecasting are the timing, magnitude, and length of exchange rate movements.

Answer: <https://biology-forums.com/index.php?topic=573332>

Question 1212

Historically, managers built organizations by focusing on the boxes and lines of a(n) _____ structure.

- A) formal
- B) innovative
- C) collaborative
- D) flexible

Answer: <https://biology-forums.com/index.php?topic=573980>

Question 1213

The International Fisher Effect _____.

- A) links interest rates and inflation
- B) implies that the currency of the country with the lower interest rate will weaken in the future
- C) implies that the country with the higher interest rate should have lower inflation
- D) links interest rates and exchange rates

Answer: <https://biology-forums.com/index.php?topic=573289>

Question 1214

Preston Electronics is an MNE with facilities located in Taiwan, Singapore, and Germany. Preston gives its local operations the authority to adapt value activities to prevailing local economic, political, legal, and cultural conditions. Preston is most likely using a(n) _____ strategy.

- A) global
- B) multidomestic
- C) international
- D) continental

Answer: <https://biology-forums.com/index.php?topic=573624>

Question 1215

Which of the following types of agents moves international cargo, facilitates shipment tracking, and handles product returns for exporters and importers?

- A) trade intermediaries
- B) third party logistics
- C) customs brokers
- D) freight forwarders

Answer: <https://biology-forums.com/index.php?topic=573826>

Question 1216

Tel-Comm Tek is a company that believes it has core competencies that its competitors in foreign markets lack and that it faces relatively weak pressures for local responsiveness and cost reductions. Tel-Comm Tek is likely to adopt an international strategy.

Answer: <https://biology-forums.com/index.php?topic=573657>

Question 1217

An exchange rate variance results from _____.

- A) setting the budget at the actual exchange rate at that time and final performance at the rate used when the budget was set
- B) translating the budget and actual performance at the forecasted exchange rate
- C) translating the budget at the projected exchange rate and final results at the actual exchange rate
- D) translating the budget using the current-rate method and actual results at the new current-rate method

Answer: <https://biology-forums.com/index.php?topic=574339>

Question 1218

Many economists have predicted that Hong Kong will change its currency system to the _____.

- A) U.S. dollar
- B) euro
- C) yuan
- D) won

Answer: <https://biology-forums.com/index.php?topic=573299>

Question 1219

Intellectual property refers to the creative ideas, innovative expertise, or intangible insights that give an individual, company, or country a competitive advantage.

Answer: <https://biology-forums.com/index.php?topic=572714>

Question 1220

The 27 member EU negotiates trade agreements as one. The EU and Brazil have negotiated a strategic trade alliance which is an example of a _____.

- A) customs union
- B) global free trade agreement
- C) bilateral agreement
- D) multilateral agreement

Answer: <https://biology-forums.com/index.php?topic=573049>

Question 1221

The perspective of _____ holds that as a company gains experience, resources, and confidence, it progressively increases its scope of countries to which it exports.

- A) serendipity
- B) export management
- C) the born-global theory
- D) incremental internalization

Answer: <https://biology-forums.com/index.php?topic=573798>

Question 1222

Seasonal differences around the world enable MNEs to distribute weather-related sales, such as winter clothing, more evenly throughout the year.

Answer: <https://biology-forums.com/index.php?topic=574176>

Question 1223

When entering foreign countries, many franchisors encounter difficulty in transferring the domestic success factors of product and service standardization.

Answer: <https://biology-forums.com/index.php?topic=573953>

Question 1224

The IMF's primary role is to identify exchange rate regimes.

Answer: <https://biology-forums.com/index.php?topic=573310>

Question 1225

Which of the following is typically true of an export management company?

- A) It is usually a division of a manufacturing company.
- B) Most EMCs in the United States are large, representing a wide range of products and large number of companies.
- C) It operates on a contractual basis for a manufacturer by helping obtain orders for its clients' products.
- D) It usually takes title to products rather than act as an agent.

Answer: <https://biology-forums.com/index.php?topic=573817>

Question 1226

International businesspeople need to understand social stratification systems where they do business because _____.

- A) such systems reflect a culture's willingness to accept new products
- B) such systems indicate who people in a given culture will likely respect more
- C) the high similarity among countries lets firms effectively use global hiring practices
- D) what is an ascribed group membership in one country is an acquired one in another

Answer: <https://biology-forums.com/index.php?topic=572544>

Question 1227

Which of the following statements best describes a limitation of the Big Mac Index?

- A) Profit margins vary by the strength of competition, which affect relative prices.
- B) The theory of PPP incorrectly assumes that there are barriers to trade.
- C) The Big Mac represents all possible commodities and services.
- D) Taxes have no effect on Big Mac prices.

Answer: <https://biology-forums.com/index.php?topic=573285>

Question 1228

In a brief essay, explain the roles of the World Trade Organization and the United Nations in international trade.

Answer: <https://biology-forums.com/index.php?topic=573135>

Question 1229

Without a proven track record in collaborative arrangements, a company will most likely need to _____.

- A) have its home country government approve licensing contracts
- B) delegate fewer responsibilities to partners at the company
- C) negotiate harder with and make more concessions to a partner
- D) depend more on trust as a control mechanism

Answer: <https://biology-forums.com/index.php?topic=573931>

Question 1230

Which of the following is the LEAST likely result of outward migration?

- A) Emigrants remit capital used to start businesses in their home countries.
- B) Nations receive more foreign aid.
- C) Nations lose highly educated and productive workers.
- D) Countries receive remittances from emigrants.

Answer: <https://biology-forums.com/index.php?topic=572877>

Question 1231

Organizational challenges are comparatively more difficult for the firm pursuing a transnational strategy than for the firm pursuing an international strategy.

Answer: <https://biology-forums.com/index.php?topic=573663>

Question 1232

A _____ is a special outlook, skill, capability, or technology that runs through the firm's operations, weaving together all value activities into an integrated value chain.

- A) core competency
- B) value proposition
- C) mission statement
- D) learning curve

Answer: <https://biology-forums.com/index.php?topic=573603>

Question 1233

A mixed economy is a system where economic decisions are largely market driven and ownership is largely private, but the government intervenes in many private economic decisions.

Answer: <https://biology-forums.com/index.php?topic=572809>

Question 1234

The process of shifting production to a foreign country is known as outsourcing.

Answer: <https://biology-forums.com/index.php?topic=572500>

Question 1235

The most preferred exchange rate used by British MNEs to translate the budget is the _____.

- A) current-rate method
- B) temporal method
- C) budgeted rate
- D) forecast rate

Answer: <https://biology-forums.com/index.php?topic=574341>

Question 1236

The Foreign Corrupt Practices Act applies only to companies registered in the United States.

Answer: <https://biology-forums.com/index.php?topic=573539>

Question 1237

Successful implementation of a _____ strategy requires a company to develop unique competencies that rivals find hard, if not impossible, to match or copy.

- A) differentiation
- B) cost leadership
- C) globalization
- D) marketing

Answer: <https://biology-forums.com/index.php?topic=573594>

Question 1238

The U.S. dollar is so widely traded partially because the New York Stock Exchange is the biggest foreign-exchange center in the world.

Answer: <https://biology-forums.com/index.php?topic=573216>

Question 1239

Normativism asserts that universal standards of behavior exist and should be accepted in all cultures.

Answer: <https://biology-forums.com/index.php?topic=573534>

Question 1240

An offer is the right but not the obligation to buy or sell foreign currency.

Answer: <https://biology-forums.com/index.php?topic=573224>

Question 1241

The price on the sale of goods from one member of a corporate family to another is known as a _____.

- A) transfer price
- B) sale/resale price
- C) global price
- D) multidomestic price

Answer: <https://biology-forums.com/index.php?topic=574342>

Question 1242

Assume the following conditions: In the United States it takes 5 units of resources to produce a ton of potatoes and 10 to produce a ton of coal. In Canada it takes 6 units of resources to produce a ton of potatoes and 9 to produce a ton of coal. According to the theory of absolute advantage, _____.

- A) the United States should export potatoes to Canada and import coal from Canada
- B) the United States should export coal to Canada and import potatoes from Canada
- C) the United States should import both potatoes and coal from Canada, while concentrating on production of more valuable goods
- D) there would be no basis for trade

Answer: <https://biology-forums.com/index.php?topic=572838>

Question 1243

Hoffman Electronics is a U.S. company. Which balance sheet format is most likely used by Hoffman?

- A) assets + liabilities = reserves
- B) assets = liabilities + shareholders' equity
- C) noncurrent assets + current assets - current liabilities - noncurrent liabilities = shareholders' equity
- D) current assets - current liabilities = fixed assets - noncurrent liabilities = capital and reserves

Answer: <https://biology-forums.com/index.php?topic=574296>

Question 1244

Commodity agreements _____.

- A) were initially established to attempt to stabilize commodity prices
- B) are effective in regulating the price of grains but not minerals
- C) are effective in regulating the prices of both grains and minerals
- D) were disbanded by the United Nations for being non-competitive

Answer: <https://biology-forums.com/index.php?topic=573088>

Question 1245

According to the accounting concept of mutual recognition, _____.

- A) companies are required to reconcile financial statements to local GAAP
- B) a country would accept financial statements of foreign companies prepared according to the GAAP of the foreign country if a company wanted to list its shares on that country's stock exchange
- C) companies would have to mutually agree to use GAAP issued by the IASB
- D) companies would have to recast their financial statements in terms of local GAAP

Answer: <https://biology-forums.com/index.php?topic=574317>

Question 1246

The combination of free trade and free movement of production factors offers maximum production efficiency.

Answer: <https://biology-forums.com/index.php?topic=572915>

Question 1247

Which of the following statements describes an inconsistency of the FCPA?

- A) Facilitation payments are classified as bribery.
- B) Facilitation payments are excluded from the FCPA's definition of bribery.
- C) Payments to officials who are not directly responsible for carrying out the law are legal.
- D) Payments to foreign officials who carry out the law are considered illegal by provisions of the FCPA.

Answer: <https://biology-forums.com/index.php?topic=573497>

Question 1248

Which of the following best supports the idea that MNEs should remain in countries that allow child labor?

- A) MNEs have a positive influence on government employment policies in most foreign countries.
- B) Many MNEs have substantially improved the working conditions of their foreign plants.
- C) MNEs are required to pay child workers more than local companies.
- D) Most MNEs employ local managers to handle cultural differences.

Answer: <https://biology-forums.com/index.php?topic=573513>

Question 1249

A geocentric staffing policy seeks the best qualified people for key jobs throughout the organization, irrespective of their nationality.

Answer: <https://biology-forums.com/index.php?topic=574467>

Question 1250

Gross domestic product is the value of production that takes place within a nation's border, without regard to whether the production is done by domestic or foreign factors of production.

Answer: <https://biology-forums.com/index.php?topic=572789>

Question 1251

An ethnocentric staffing policy is well matched with a multidomestic strategy.

Answer: <https://biology-forums.com/index.php?topic=574469>

Question 1252

Countries have reduced import trade barriers in the expectation that other countries will do the same.

Answer: <https://biology-forums.com/index.php?topic=572494>

Question 1253

Quality is defined as _____.

- A) meeting or exceeding the expectations of the customer
- B) meeting the everyday low price expected by the customer
- C) meeting international quality standards, such as ISO 9000
- D) meeting internal quality standards

Answer: <https://biology-forums.com/index.php?topic=574223>

Question 1254

The fact that an English word such as blue-jeans has entered the Spanish language, while a Spanish word such as macho has come into American English illustrates that _____.

- A) cultural diffusion is a two-way process
- B) cultural trends come from emerging nations
- C) existing national borders are shifting
- D) material cultures are becoming universal

Answer: <https://biology-forums.com/index.php?topic=572577>

Question 1255

Why is economic freedom an important factor to consider when analyzing a country's economic development, performance, and potential?

Answer: <https://biology-forums.com/index.php?topic=572826>

Question 1256

In a brief essay, discuss the strategy used by Zara, the firm described in the opening case. Also discuss the features of Zara's value chain.

Answer: <https://biology-forums.com/index.php?topic=573672>

Question 1257

In reality, the organizational charts of _____ MNEs neatly depict a functional, divisional, or matrix structure.

- A) no
- B) few
- C) most
- D) all

Answer: <https://biology-forums.com/index.php?topic=574007>

Question 1258

Smithson Pottery is considered a regular exporter because the firm fills unsolicited orders from foreign buyers and passively investigates international trade options.

Answer: <https://biology-forums.com/index.php?topic=573861>

Question 1259

Barkely Enterprises, a U.S. manufacturer, received assistance from the Overseas Private Investment Corporation when it expanded operations into Saudi Arabia. Which of the following types of support did Barkely most likely receive from OPIC?

- A) financial capital
- B) cultural training
- C) legal guidance
- D) political risk insurance

Answer: <https://biology-forums.com/index.php?topic=572658>

Question 1260

In a _____, one party directs another party to make payment.

- A) reverse letter of credit
- B) commercial bill of exchange
- C) commercial bill of trade
- D) confirmed irrevocable foreign-exchange transaction

Answer: <https://biology-forums.com/index.php?topic=573195>

Question 1261

The central bank in the United States is the _____.

- A) Federal Reserve System
- B) U.S. Exchange Reserve
- C) Board of Governors
- D) U.S. Treasury

Answer: <https://biology-forums.com/index.php?topic=573272>

Question 1262

In the aftermath of the recent worldwide credit crisis, there has been a significant reduction in the level of government involvement in economic affairs.

Answer: <https://biology-forums.com/index.php?topic=572787>

Question 1263

Export intensity, the percentage of total revenues coming from exports, is not always correlated with company size.

Answer: <https://biology-forums.com/index.php?topic=573842>

Question 1264

An Australian company makes athletic wear for women, men, and adults. After several years of successfully exporting its products to the U.K. and the U.S., the company began exporting to Japan. This is an example of _____.

- A) a born-global company
- B) a location advantage
- C) third-party exporting
- D) incremental internationalization

Answer: <https://biology-forums.com/index.php?topic=573797>

Question 1265

The HRM requirements of a(n) _____ strategy are well matched with a polycentric staffing policy.

- A) transnational
- B) international
- C) multidomestic
- D) global

Answer: <https://biology-forums.com/index.php?topic=574425>

Question 1266

"Born global" firms are those that step straight onto the world stage, making exporting the primary goal of the firm from day one of operations.

Answer: <https://biology-forums.com/index.php?topic=573844>

Question 1267

Which of the following is promoted by a neoclassical structure?

- A) innovation of ideas
- B) information control
- C) project competition
- D) minimal relationships

Answer: <https://biology-forums.com/index.php?topic=574014>

Question 1268

Hudson Manufacturing is an MNE based in the U.S. with operations in Asia. The firm is considering expansion into the European Union. Executives at the firm are debating whether central Europe or Eastern Europe would be best for the firm. Which of the following best supports a decision to establish operations in Eastern Europe?

- A) Hudson wants to implement a high-performance work system.
- B) Hudson plans to staff the foreign facility with local managers.
- C) Hudson wants to minimize costs by keeping wages low.
- D) Hudson recently lost money in a joint venture.

Answer: <https://biology-forums.com/index.php?topic=573072>

Question 1269

Suzanne, an investor, tends to invest in corporations that are headquartered in countries that value financial transparency. A firm based in which of the following countries would most likely appeal to Suzanne?

- A) Japan
- B) Germany
- C) Switzerland
- D) United Kingdom

Answer: <https://biology-forums.com/index.php?topic=574305>

Question 1270

Dixon Electronics recently introduced a new computer with features unavailable from other products on the market. Dixon is charging a very high price for the computer and has plans to progressively lower the price over the next year. Dixon is most likely using a _____ strategy.

- A) cost-plus
- B) skimming
- C) penetration
- D) diversification

Answer: <https://biology-forums.com/index.php?topic=574122>

Question 1271

What is the difference between the free trade theories of absolute advantage and comparative advantage? How can free trade improve global efficiency?

Answer: <https://biology-forums.com/index.php?topic=572921>

Question 1272

Many products' location of production will shift internationally as the products go through their life cycle.

Answer: <https://biology-forums.com/index.php?topic=572904>

Question 1273

When a large company and a small company enter a joint venture, the large company is expected to contribute more to the arrangement.

Answer: <https://biology-forums.com/index.php?topic=573960>

Question 1274

Concord Foods, an international firm based in the U.S., is in the process of transitioning from a classical organizational structure to a neoclassical structure. Which of the following tools would most likely enable Concord to make this change?

- A) annual performance appraisals
- B) cross-functional task forces
- C) flexible benefits plans
- D) merit awards

Answer: <https://biology-forums.com/index.php?topic=573982>

Question 1275

How has intellectual property theft affected China's economy? What is the relationship between China's legal environment and intellectual property theft?

Answer: <https://biology-forums.com/index.php?topic=572724>

Question 1276

Production location is not an important choice when doing business in the European Union.

Answer: <https://biology-forums.com/index.php?topic=573115>

Question 1277

All of the following are levels of moral development EXCEPT the _____.

- A) preconventional level
- B) autonomous level
- C) internalized level
- D) conventional level

Answer: <https://biology-forums.com/index.php?topic=573474>

Question 1278

Johnson Construction is an MNE that designs and builds commercial buildings around the world. Johnson has a new contract to construct a building in Pakistan. Tom, a construction manager, will be relocating to Pakistan with his wife, and he will receive additional pay to compensate for the dangerous environment. Which of the following has Johnson Construction most likely offered Tom?

- A) repatriation allowance
- B) hardship allowance
- C) housing allowance
- D) spouse allowance

Answer: <https://biology-forums.com/index.php?topic=574444>

Question 1279

Which of the following best describes the concept of serendipity in exporting?

- A) modifying products to meet cultural preferences
- B) initiating global sales through e-commerce methods
- C) relying too much on exports when domestic sales suddenly increase
- D) opportunistically responding to unsolicited orders from foreign customers

Answer: <https://biology-forums.com/index.php?topic=573799>

Question 1280

What led to the Greek financial crisis of 2010? What have been the roles of the IMF and European Central Bank in the crisis? What challenges with the euro facilitated the crisis?

Answer: <https://biology-forums.com/index.php?topic=573348>

Question 1281

General Electric's Ecomagination initiative is responding in part to the fact that it is operating in many countries which require compliance with higher environmental standards than exist in the United States.

Answer: <https://biology-forums.com/index.php?topic=573524>

Question 1282

The major trade groups in South America are CAN and MERCOSUR.

Answer: <https://biology-forums.com/index.php?topic=573120>

Question 1283

What are the main arguments for limiting trade in services? What is your opinion on limiting trade in services?

Answer: <https://biology-forums.com/index.php?topic=573034>

Question 1284

Creolization refers to _____.

- A) government efforts to maintain a distinct cultural identity through legislation and language
- B) the process of mixing elements of an outside culture with those of a national culture
- C) the use of stereotypes to describe a culture
- D) changes as cultures evolve over time

Answer: <https://biology-forums.com/index.php?topic=572538>

Question 1285

A core competency gives every employee in an MNE a principle that helps them coordinate transactions between value activities.

Answer: <https://biology-forums.com/index.php?topic=573648>

Question 1286

Studies indicate that the main cause of nearly half of failed expatriate assignments is the inability of the expatriate to _____.

- A) meet performance expectations
- B) initiate a fair compensation package
- C) adapt to the host culture
- D) learn the local language

Answer: <https://biology-forums.com/index.php?topic=574449>

Question 1287

LIBOR is best defined as the _____.

- A) interest rate of the National Bank of London
- B) short-term interest rate for dollars held in the Eurodollar market
- C) interest rate of the European Union
- D) deposit rate that applies to commercial loans in the European Union

Answer: <https://biology-forums.com/index.php?topic=573371>

Question 1288

A culture in which people prefer to handle tasks sequentially is a polychronic culture.

Answer: <https://biology-forums.com/index.php?topic=572607>

Question 1289

Comparative advantage theory holds that gains from trade are the result of capital movements from countries with low interest rates to countries with higher interest rates.

Answer: <https://biology-forums.com/index.php?topic=572895>

Question 1290

A push strategy is most likely preferable to a pull strategy when goods are sold using self-service distribution.

Answer: <https://biology-forums.com/index.php?topic=574171>

Question 1291

MNEs typically use reporting systems for foreign operations that are similar to the ones they use domestically _____.

- A) primarily in the early stages of operating abroad
- B) because common systems allow comparative evaluations
- C) until the subsidiary demonstrates mastery of the form
- D) only in those countries with extremely similar systems of information technology

Answer: <https://biology-forums.com/index.php?topic=574031>

Question 1292

Countries most likely establish export restrictions to _____.

- A) ensure their population obtain the goods first
- B) raise prices in foreign markets
- C) encourage substitute products
- D) reduce domestic production

Answer: <https://biology-forums.com/index.php?topic=572957>

Question 1293

What are three factors that have led to the increased growth in international business in recent decades? Which do you think has been most important and why?

Answer: <https://biology-forums.com/index.php?topic=572515>

Question 1294

Analysts conclude that the finite supply of natural resources will most likely _____.

- A) cause a higher proportion of world trade to occur among developed countries
- B) cause a higher proportion of world trade to occur among developing countries
- C) serve as an advantage for developing countries in their sales to developed countries
- D) create a greater portion of world trade in the form of services

Answer: <https://biology-forums.com/index.php?topic=572882>

Question 1295

Grover Enterprises is an MNE that relies on shared values among all employees to idealize the preferred behaviors and identify performance measures within the company. Grover is most likely applying a system of _____.

- A) market control
- B) bureaucratic control
- C) planning control
- D) clan control

Answer: <https://biology-forums.com/index.php?topic=574029>

Question 1296

Internal tension may develop within a company as it changes an international operating mode because some managers gain responsibility and others lose it.

Answer: <https://biology-forums.com/index.php?topic=573963>

Question 1297

Which of the following is true of export trading companies in the United States?

- A) They are like independent distributors that match buyers with buyers.
- B) They are prohibited from working with a firm's competitors due to antitrust laws.
- C) They must be established independently of the company in order to avoid a conflict of interest.
- D) They have been a successful form of export intermediation in recent years.

Answer: <https://biology-forums.com/index.php?topic=573819>

Question 1298

A(n) _____ ideology is the system of ideas that expresses the goals, theories, and aims of how society should work.

- A) technological
- B) economic
- C) legal
- D) political

Answer: <https://biology-forums.com/index.php?topic=572639>

Question 1299

As an international business manager, how can you benefit from an understanding of international trade theories?

Answer: <https://biology-forums.com/index.php?topic=572918>

Question 1300

The EU organization that provides political leadership, drafts laws, and runs the daily programs of the EU is the _____.

- A) European Commission
- B) Council of Ministers
- C) European Parliament
- D) European Central Bureaucracy

Answer: <https://biology-forums.com/index.php?topic=573064>

Question 1301

The staffing policy at Hanover International is to seek the best people for key jobs throughout the organization, regardless of nationality. Hanover most likely follows a(n) _____ staffing approach.

- A) geocentric
- B) intercentric
- C) polycentric
- D) ethnocentric

Answer: <https://biology-forums.com/index.php?topic=574420>

Question 1302

Some key _____ factors in a company's international business external environment are its product strategy and access to resources.

- A) geographic
- B) political
- C) competitive
- D) behavioral

Answer: <https://biology-forums.com/index.php?topic=572472>

Question 1303

In a short essay, discuss why governments have been liberalizing cross-border movements of goods, services, and resources.

Answer: <https://biology-forums.com/index.php?topic=572516>

Question 1304

The U.N. Global Compact is a legally binding document that requires MNEs to establish codes of conduct.

Answer: <https://biology-forums.com/index.php?topic=573548>

Question 1305

The most common predeparture training for an expatriate is _____.

- A) an informational briefing
- B) role playing
- C) in-depth cultural seminars
- D) language training

Answer: <https://biology-forums.com/index.php?topic=574437>

Question 1306

Describe the three ways economies can be categorized. Which one do you believe is best? Why?

Answer: <https://biology-forums.com/index.php?topic=572820>

Question 1307

The BRICs are the strongest developed economies in the world.

Answer: <https://biology-forums.com/index.php?topic=572813>

Question 1308

Static effects are the overall growth in the market and the impact on a company caused by expanding production and by the company's ability to achieve greater economies of scale.

Answer: <https://biology-forums.com/index.php?topic=573105>

Question 1309

Which of the following is a true statement about the Euroloan market?

- A) It is extremely competitive and lenders operate on razor-thin margins.
- B) It is extremely competitive but lenders still receive substantial margins.
- C) It is monopolistic, yet lenders operate on razor-thin margins.
- D) It is monopolistic and lenders receive substantial margins.

Answer: <https://biology-forums.com/index.php?topic=573420>

Question 1310

Which of the following would most likely indicate that a company should handle its own distribution?

- A) high-volume sales and non-complex after-sales servicing
- B) local customers and low-tech products
- C) low sales volume and few business-to-business sales
- D) global customers and high technology

Answer: <https://biology-forums.com/index.php?topic=574142>

Question 1311

The specific learned norms based on attitudes, values, and beliefs of a group of people are known as ethnology.

Answer: <https://biology-forums.com/index.php?topic=572588>

Question 1312

The term protectionism, when applied to international trade, refers to governmental restrictions and incentives to affect trade flows.

Answer: <https://biology-forums.com/index.php?topic=572991>

Question 1313

The use of management contracts has been significant in hotel operations.

Answer: <https://biology-forums.com/index.php?topic=573955>

Question 1314

Nontradable goods are best defined as _____.

- A) products and services for which exporting costs are excessive
- B) factors of production that exceed safety regulations
- C) goods used for national defense
- D) products that comprise a portion of the inputs for finished products

Answer: <https://biology-forums.com/index.php?topic=572846>

Question 1315

Social network analysis indicates that information flows more efficiently in a(n) _____ manner.

- A) collaborative
- B) competitive
- C) hierarchical
- D) impersonal

Answer: <https://biology-forums.com/index.php?topic=573605>

Question 1316

The marketing approach a company takes internationally should be compatible with its overall aims and strategies.

Answer: <https://biology-forums.com/index.php?topic=574154>

Question 1317

International managers most likely need to understand how to evaluate international geographic alternatives because _____.

- A) they usually have a surplus of resources and need to take advantage of all opportunities
- B) many regional trading groups prohibit companies from outside of the trading group from manufacturing in more than one member country
- C) the commitment of resources to one locale may require forgoing projects in other locales
- D) decreased worldwide transportation costs and increased trade liberalization now allow companies to serve worldwide markets from a single production location

Answer: <https://biology-forums.com/index.php?topic=573677>

Question 1318

A company that decides to "localize" expatriate assignments will offer an expatriate the option of _____.

- A) serving a shorter assignment in the host country
- B) becoming a naturalized citizen of the host country

C) moving to an emerging market closer to the home country
D) retaining a foreign assignment provided he or she accepts the status of a local hire
Answer: <https://biology-forums.com/index.php?topic=574407>

Question 1319

An advantage of locating operations where there are many competitors is that the cluster of competing firms attracts multiple suppliers and specialized personnel.
Answer: <https://biology-forums.com/index.php?topic=573749>

Question 1320

High inflation might cause a company to gain advantages by selling more on credit.
Answer: <https://biology-forums.com/index.php?topic=574169>

Question 1321

The balance of trade is a record of a country's international transactions that take place among companies, governments, or individuals.
Answer: <https://biology-forums.com/index.php?topic=572800>

Question 1322

An example of an expatriate would be a Canadian manager working for a Canadian firm in China.
Answer: <https://biology-forums.com/index.php?topic=574458>

Question 1323

General Electric has focused on being more "green" in recent years most likely because _____.
A) the industry has always looked to GE as a trend setter in green technology
B) GE executives believe the firm can strategically align investor and environmental interests
C) GE executives realize that the firm can save significant money through the use of solar technology
D) the U.S. government has decided to use GE as a test case to see if the adoption of the Kyoto Protocol can actually work for a U.S. firm
Answer: <https://biology-forums.com/index.php?topic=573466>

Question 1324

The inability of a company to gain foreign production factors to use in its domestic operations most likely _____.
A) entices the company to export its own production factors
B) stimulates the company to adopt efficient substitute methods of production
C) stimulates foreign companies to invest in that domestic market
D) causes the company's products to move more rapidly through their life cycles
Answer: <https://biology-forums.com/index.php?topic=572880>

Question 1325

Promotion using direct selling techniques is _____.
A) a pull strategy
B) necessary where inflation is high
C) a standardized advertising technique
D) a push strategy
Answer: <https://biology-forums.com/index.php?topic=574131>

Question 1326

Licensing companies commonly negotiate a "front-end" payment from licensees to cover _____ transfer costs.
A) employee
B) brand name
C) technology
D) copyright
Answer: <https://biology-forums.com/index.php?topic=573905>

Question 1327

Which of the following is NOT a characteristic of capitalism?
A) private ownership of assets
B) right to profit from individual effort
C) state control of factors of production
D) private control of investment

Answer: <https://biology-forums.com/index.php?topic=572736>

Question 1328

Some critics complain that MNEs introduce and promote superfluous products in developing countries, causing consumers there to buy these products rather than things they need for their health. People answering this criticism have contended that _____.

- A) consumers don't buy things because of promotion
- B) the amount spent on so-called superfluous products is insignificant
- C) it is impossible to draw a line between people who can afford and people who can't afford these products
- D) these products serve to motivate people in developing countries to work harder

Answer: <https://biology-forums.com/index.php?topic=574095>

Question 1329

According to the accounting concept of mutual recognition, companies are required to reconcile financial statements to local GAAP.

Answer: <https://biology-forums.com/index.php?topic=574362>

Question 1330

Visible exports and imports are _____.

- A) merchandise imports and exports
- B) the sum total of goods and services traded
- C) international transactions paid for in money rather than barter
- D) typically a country's least common international economic transactions

Answer: <https://biology-forums.com/index.php?topic=572461>

Question 1331

Cultural change may come by choice or imposition.

Answer: <https://biology-forums.com/index.php?topic=572596>

Question 1332

Because the size of the market increases when trade barriers fall, companies can increase their production, which will result in lower costs per unit.

This phenomenon is known as _____.

- A) trade creation
- B) economies of scale
- C) diseconomies of scale
- D) increased competition

Answer: <https://biology-forums.com/index.php?topic=573061>

Question 1333

Which of the following is a primary business objective for pursuing ethical behavior?

- A) replacing home-country technology with host-country technology
- B) minimizing federal investigations into corporate finances
- C) avoiding being perceived as a socially irresponsible firm
- D) imposing home-country behavior on the host country

Answer: <https://biology-forums.com/index.php?topic=573480>

Question 1334

Assume an enterprise is considering establishment of a foreign production facility. Which of the following best supports this decision?

- A) Its foreign competitors have higher production costs than it has.
- B) Its main competitor successfully opened a foreign plant.
- C) Its suppliers follow an agglomeration strategy.
- D) None of its competitors have foreign production facilities.

Answer: <https://biology-forums.com/index.php?topic=572442>

Question 1335

Which of the following is the largest source of foreign-exchange income in Mexico?

- A) FDI
- B) tourism
- C) foreign aid
- D) remittance income

Answer: <https://biology-forums.com/index.php?topic=573140>

Question 1336

According to experts, stakeholder participation in decision making is effective only in countries with an educated population.

Answer: <https://biology-forums.com/index.php?topic=572615>

Question 1337

Currency is a major issue in financial reporting because companies must decide in which currency to present their financial information to the general public.

Answer: <https://biology-forums.com/index.php?topic=574361>

Question 1338

Totalitarian countries are favored by MNEs because state governments typically favor foreign investors over local companies.

Answer: <https://biology-forums.com/index.php?topic=572696>

Question 1339

A bond issue floated by a U.S. company in dollars in London, Luxembourg, and Switzerland by a syndication of bonds is an example of a _____.

- A) global bond
- B) domestic bond
- C) Eurobond
- D) foreign bond

Answer: <https://biology-forums.com/index.php?topic=573374>

Question 1340

Explain the difference between macro-uniform-based and micro-based accounting systems. What are some examples of countries that fit in each system?

Answer: <https://biology-forums.com/index.php?topic=574386>

Question 1341

Which of the following is NOT an example of a service export?

- A) a management firm providing advice to a foreign client
- B) an investment bank arranging financing for a foreign firm
- C) a coffee chain opening a new store in a foreign country
- D) an engineering firm building roads in a foreign country

Answer: <https://biology-forums.com/index.php?topic=573783>

Question 1342

The number of computer industry firms located in California's Silicon Valley exemplifies the concept of agglomeration.

Answer: <https://biology-forums.com/index.php?topic=573764>

Question 1343

Commercial banks look at foreign-exchange trading as a service extended primarily to important customers, not as a major business activity of its own.

Answer: <https://biology-forums.com/index.php?topic=573225>

Question 1344

When forecasting exchange rates, forecasters must predict the magnitude, timing, and direction of change in exchange rates.

Answer: <https://biology-forums.com/index.php?topic=573333>

Question 1345

In which of the following situations is a firm most likely to be able to choose the foreign operating form it would most like to use?

- A) Its main motive is to gain location-specific assets.
- B) It has a desired and unique resource.
- C) Its preference for entering foreign markets is via acquisition of foreign facilities.
- D) It has little concern about appropriability.

Answer: <https://biology-forums.com/index.php?topic=573895>

Question 1346

Which of the following recently threatened the future of the EU's common currency?

- A) refusal of the UK to use the euro

- B) failed mergers and acquisitions
- C) debt crisis in Greece
- D) human rights issues

Answer: <https://biology-forums.com/index.php?topic=573074>

Question 1347

NAFTA is a good example of _____.

- A) trade divestment
- B) trade diversion
- C) the theory of trade disruption
- D) the theory of trade implementation

Answer: <https://biology-forums.com/index.php?topic=573077>

Question 1348

The finite nature of natural resources should work as a disadvantage for the export prices of developing countries.

Answer: <https://biology-forums.com/index.php?topic=572916>

Question 1349

Which term refers to a tariff or duty assessed as a percentage of an item's value?

- A) specific duty
- B) effective tariff
- C) ad valorem duty
- D) compound tariff

Answer: <https://biology-forums.com/index.php?topic=572971>

Question 1350

Import trade controls, but not export trade controls, can be used as a weapon of foreign policy.

Answer: <https://biology-forums.com/index.php?topic=573010>

Question 1351

Which EU country has NOT adopted the euro?

- A) Germany
- B) France
- C) Sweden
- D) Greece

Answer: <https://biology-forums.com/index.php?topic=573262>

Question 1352

Which of the following best describes the special drawing right?

- A) an international reserve asset created to supplement members' existing reserve assets
- B) the official currency for international trade established by the World Bank
- C) a substitute for the fixed value of gold as determined by currency rates
- D) a contribution made by countries to join the IMF

Answer: <https://biology-forums.com/index.php?topic=573253>

Question 1353

A(n) _____ manager champions the ways of foreign markets as comparable, if not more enlightened, than the practices of his or her parent company and home nation.

- A) ethnocentric
- B) geocentric
- C) monocentric
- D) polycentric

Answer: <https://biology-forums.com/index.php?topic=574416>

Question 1354

Which of the following is one of the four phases of purchasing globalization?

- A) foreign buying as a part of procurement strategy
- B) complete rejection of domestic purchasing
- C) foreign buying based on want

D) global purchasing only

Answer: <https://biology-forums.com/index.php?topic=574241>

Question 1355

On average, workers displaced by imports earn higher wages in the new jobs they accept.

Answer: <https://biology-forums.com/index.php?topic=572996>

Question 1356

A company classified as a small and medium-sized enterprise (SME) has fewer than 500 employees.

Answer: <https://biology-forums.com/index.php?topic=573839>

Question 1357

In a short essay, compare the roles of the Federal Reserve Bank of New York and the European Central Bank.

Answer: <https://biology-forums.com/index.php?topic=573343>

Question 1358

Companies most likely use the foreign-exchange market to _____.

- A) establish fair currency trading policies
- B) facilitate regular business transactions
- C) establish a global market presence
- D) diversify their hedge funds

Answer: <https://biology-forums.com/index.php?topic=573192>

Question 1359

Identify and briefly compare the major regional trading groups in Latin America, Asia, and Africa.

Answer: <https://biology-forums.com/index.php?topic=573132>

Question 1360

No matter the country or culture, money has three fundamental features that motivate consumers around the world to maximize purchasing power by buying the highest possible quality product for the lowest possible price. These three features include all of the following EXCEPT which one?

- A) scarcity
- B) difficulty of acquisition
- C) difficulty of allocation
- D) difficulty of saving

Answer: <https://biology-forums.com/index.php?topic=573607>

Question 1361

What is a born global? How has technology triggered the growth of born globals?

Answer: <https://biology-forums.com/index.php?topic=573876>

Question 1362

Generally, HRM does NOT emphasize which of the following characteristics when evaluating the adaptability of an expatriate candidate?

- A) self maintenance
- B) technology skills
- C) cultural empathy
- D) sensitivity to host environments

Answer: <https://biology-forums.com/index.php?topic=574431>

Question 1363

An important business objective for pursuing ethical behavior is to create a better relationship with corrupt politicians and customers.

Answer: <https://biology-forums.com/index.php?topic=573532>

Question 1364

In a short essay, discuss why simply examining a country's per capita GDP and its population doesn't necessarily lead to a good estimate for potential demand.

Answer: <https://biology-forums.com/index.php?topic=573767>

Question 1365

By operating internationally, a company may take advantage of business-cycle differences among countries and thereby reduce its financial risks.

Answer: <https://biology-forums.com/index.php?topic=572503>

Question 1366

A common law system is based on tradition, judge-made precedent, and usage in which the courts assign a preeminent position to existing case law to guide dispute resolution.

Answer: <https://biology-forums.com/index.php?topic=572706>

Question 1367

What are some reasons that firms decide to export their products or services? What does a firm need to consider when developing an export plan?

Answer: <https://biology-forums.com/index.php?topic=573871>

Question 1368

A currency sells at a forward premium when the forward rate is greater than the spot rate.

Answer: <https://biology-forums.com/index.php?topic=573222>

Question 1369

When firms estimate the costs of outsourcing to low-wage countries, they often overlook elements such as shipping distances.

Answer: <https://biology-forums.com/index.php?topic=574260>

Question 1370

Since the late 1980s, the growing emergence of freer markets has been powered by the realization that _____.

- A) economic growth is directly related to economic freedom
- B) economic growth has a limited effect on the standard of living
- C) adoption of free market principles contributes to social injustices
- D) centrally planned economies are best designed to deliver progress

Answer: <https://biology-forums.com/index.php?topic=572731>

Question 1371

Political risk insurance is more likely to be purchased by MNEs that apply an active approach to political risk management.

Answer: <https://biology-forums.com/index.php?topic=572703>

Question 1372

According to the unity-of-command principle, workers and organizations benefit the most from dual hierarchies of communication.

Answer: <https://biology-forums.com/index.php?topic=574064>

Question 1373

How have sustainability demands and the Kyoto Protocol affected international business? Discuss the controversies surrounding each.

Answer: <https://biology-forums.com/index.php?topic=573562>

Question 1374

Appropriability theory refers to _____.

- A) denying rivals access to competitive resources such as management know-how
- B) categorizing the appropriateness of a firm's foreign investments in terms of host country objectives
- C) explaining an investing firm's choice of partner in a joint venture
- D) predicting the general pattern of direct investment locations

Answer: <https://biology-forums.com/index.php?topic=573885>

Question 1375

Which of the following is true concerning countries' distribution systems?

- A) They reflect the economic levels of countries, so countries at similar economic levels have similar distribution systems.
- B) They are difficult to change because they have evolved over time, reflecting countries' cultural, economic, and legal environments.
- C) They are more similar among countries than pricing and promotional systems are.
- D) When standardized, they offer more cost savings for international companies than when products are standardized.

Answer: <https://biology-forums.com/index.php?topic=574141>

Question 1376

Which of the following is most likely a true statement about using the Internet in supply chain management?

- A) The Internet is universally accessible.
- B) The Internet slows internal processes in a company.
- C) The Internet minimizes efficiency gains to a company's suppliers.
- D) The Internet prevents a deeper level of collaboration and communication.

Answer: <https://biology-forums.com/index.php?topic=574221>

Question 1377

Germanic countries tend to be more transparent than the United States and the United Kingdom in terms of financial reporting due to their reliance on bank financing.

Answer: <https://biology-forums.com/index.php?topic=574358>

Question 1378

Countries enact trade policies based on trade theories, which, in turn, affect companies' optimum production locations.

Answer: <https://biology-forums.com/index.php?topic=572887>

Question 1379

Although central banks are responsible for foreign-exchange policy, they have no power to intervene in exchange rate markets.

Answer: <https://biology-forums.com/index.php?topic=573321>

Question 1380

The sums needed to develop and market many new products are out of reach for most companies acting alone.

Answer: <https://biology-forums.com/index.php?topic=573967>

Question 1381

All of the following are reasons a country might institute import restrictions to improve its balance of trade position with other countries EXCEPT to _____.

- A) maintain essential industries
- B) reduce imports and encourage exports
- C) get comparable access for its companies
- D) bargain away restrictions by other countries

Answer: <https://biology-forums.com/index.php?topic=572955>

Question 1382

The role of most commodity agreements now is to _____.

- A) discuss issues and disseminate information about commodities
- B) keep consumer countries from controlling commodity prices
- C) allow producer countries to control inflation by keeping commodity prices low
- D) stabilize prices through regional alliances between producer and consumer countries

Answer: <https://biology-forums.com/index.php?topic=573089>

Question 1383

In collaborative arrangements, when one partner cedes control to another partner, it is no longer responsible for problems.

Answer: <https://biology-forums.com/index.php?topic=573961>

Question 1384

A growing number of MNEs in Asia and Latin America are using performance-based pay to link compensation with business results.

Answer: <https://biology-forums.com/index.php?topic=574508>

Question 1385

A French company floating a bond issued in Swiss francs in Switzerland would be selling a foreign bond.

Answer: <https://biology-forums.com/index.php?topic=573435>

Question 1386

Countertrade is an alternative means of structuring an international sale when _____.

- A) natural resources are highly desirable
- B) an importer is able to obtain a bank loan
- C) an importer does not belong to the World Bank
- D) conventional forms of payment are difficult, costly, or nonexistent

Answer: <https://biology-forums.com/index.php?topic=573829>

Question 1387

Trading activity has increased in recent years due to the growing importance of foreign exchange as an alternative asset and the expanded emphasis on hedge funds.

Answer: <https://biology-forums.com/index.php?topic=573236>

Question 1388

The Organization of Petroleum Exporting Countries _____.

- A) uses import tariffs to control oil prices
- B) stabilizes prices based on demand
- C) uses quotas to control oil prices
- D) produces all of the world's oil

Answer: <https://biology-forums.com/index.php?topic=573091>

Question 1389

The degree to which a firm funds the growth of a business by debt is known as _____.

- A) leveraging
- B) equity financing
- C) hedging
- D) after-tax cost of debt

Answer: <https://biology-forums.com/index.php?topic=573359>

Question 1390

The Japanese yen is an example of a soft currency.

Answer: <https://biology-forums.com/index.php?topic=573322>

Question 1391

The major trade group in South America involving Brazil, Paraguay, Uruguay, and Argentina is _____.

- A) MERCOSUR
- B) UNASUR
- C) APEC
- D) CACM

Answer: <https://biology-forums.com/index.php?topic=573082>

Question 1392

What is a transfer price? Why are transfer prices used?

Answer: <https://biology-forums.com/index.php?topic=573460>

Question 1393

Countries with varied climates and varied natural resources generally _____ than countries with less varied climates and natural resources.

- A) have lower per capita incomes
- B) depend less heavily on trade
- C) have more ethnic subgroups
- D) have higher endowments of capital relative to labor

Answer: <https://biology-forums.com/index.php?topic=572847>

Question 1394

What are the advantages and disadvantages of global and domestic sourcing? What role does quality play in deciding between global and domestic sourcing?

Answer: <https://biology-forums.com/index.php?topic=574287>

Question 1395

One way to account for the challenge of the variability of future cash flows is to _____.

- A) adjust the hurdle rate for the project
- B) use the most likely cash flow estimate
- C) ignore different rates of inflation to prevent confusion
- D) leave out a consideration of the terminal value of an investment

Answer: <https://biology-forums.com/index.php?topic=573415>

Question 1396

The premise that there will be more finely tuned specialization of production among countries is most likely based on the idea that companies will _____.

- A) depend more on production of nontradable goods and services
- B) encourage urbanization in emerging countries that lack infrastructure
- C) establish facilities in dispersed locations to hinder domestic competition
- D) take advantage of wage and skill differences among countries

Answer: <https://biology-forums.com/index.php?topic=572884>

Question 1397

The WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) _____.

- A) allows rich countries to produce generic versions of patented drugs without having to pay royalties to the patent holder
- B) permits developing countries to import generic products from other countries if they don't have the capacity to produce generic drugs
- C) requires pharmaceutical companies to provide low-cost vaccines and HIV/AIDS medications to developing countries
- D) requires tiered pricing for most essential drugs

Answer: <https://biology-forums.com/index.php?topic=573508>

Question 1398

The _____ of compensation determines an expatriate's compensation on the prevailing pay scales in the locale of the foreign assignment.

- A) headquarters-based method
- B) home-based method
- C) culturally based method
- D) host-based method

Answer: <https://biology-forums.com/index.php?topic=574440>

Question 1399

Which of the following is a characteristic of India that discourages MNE investment?

- A) slow market growth
- B) restrictive labor laws
- C) poor communication infrastructure
- D) government controlled market

Answer: <https://biology-forums.com/index.php?topic=574452>

Question 1400

An example of a Japanese service export is a visit by a _____.

- A) Japanese citizen to Disneyland in the United States
- B) Japanese citizen to the Japan Pavilion at Epcot Center in the United States
- C) U.S. citizen to the Japan Pavilion at Epcot Center in the United States
- D) U.S. citizen to Tokyo Disneyland in Japan

Answer: <https://biology-forums.com/index.php?topic=572462>

Question 1401

A government increases its internal debt for all of the following reasons EXCEPT _____.

- A) the tax system is so poorly run that the government cannot collect all the revenues it expects
- B) government costs such as security and social programs exceed total tax revenues
- C) the government borrows money from international financial institutions
- D) state-owned enterprises run large deficits

Answer: <https://biology-forums.com/index.php?topic=572766>

Question 1402

Which of the following is NOT among the five forces in the Five-Forces Model of Industry Structure?

- A) governments
- B) substitute products
- C) potential new entrants
- D) suppliers of raw materials

Answer: <https://biology-forums.com/index.php?topic=573569>

Question 1403

U.S. companies generally put earlier and more sales-seeking emphasis on countries _____.

- A) with the largest economies
- B) with regional trading blocs and high tariffs
- C) where governments give operating incentives
- D) where operating conditions seem similar to those at home

Answer: <https://biology-forums.com/index.php?topic=573698>

Question 1404

Ryan, a foreign-exchange dealer, sold U.S. dollars for Swiss francs in the U.S., then sold Swiss francs for Japanese yen in Switzerland, and then sold the Japanese yen for U.S. dollars in the U.S. Ryan hopes that he will end up with more U.S. dollars than when he began. Which term best describes Ryan's actions?

- A) arbitrage
- B) speculation
- C) spot transaction
- D) outright forward

Answer: <https://biology-forums.com/index.php?topic=573203>

Question 1405

Inflation occurs because aggregate demand is growing as fast as aggregate supply.

Answer: <https://biology-forums.com/index.php?topic=572794>

Question 1406

The two main categories in the balance of payments are the _____.

- A) merchandise exchange account and the services account
- B) external debt and the unilateral transfers account
- C) merchandise trade account and the capital account
- D) current account and the capital account

Answer: <https://biology-forums.com/index.php?topic=572774>

Question 1407

The industry organization (IO) paradigm reports that, on average, the best predictor of firm strategy is the _____.

- A) company's stockpile of assets, skills, and capabilities
- B) aggressiveness of a company's marketing objectives
- C) link between a company's products and processes
- D) structure of the industry in which it competes

Answer: <https://biology-forums.com/index.php?topic=573571>

Question 1408

Which of the following is NOT one of the regions included in the triad regions of the world?

- A) South America
- B) Europe
- C) North America
- D) Asia

Answer: <https://biology-forums.com/index.php?topic=573042>

Question 1409

A _____ law system is based on a systematic and extensive codification of laws and puts political officials in charge of specifying accessible, detailed, and written law that applies to all citizens.

- A) customary
- B) common
- C) civil
- D) theocratic

Answer: <https://biology-forums.com/index.php?topic=572663>

Question 1410

Firms that compete in the global marketplace typically face the asymmetric forces of pressures for _____ and _____.

- A) global integration; local responsiveness
- B) price reductions; cost reductions
- C) political sensitivity; market leadership
- D) cost reductions; customer satisfaction

Answer: <https://biology-forums.com/index.php?topic=573606>

Question 1411

Which of the following statements most likely undermines the arguments for a strategic trade policy?

- A) Entrepreneurs, rather than governments, should take business risks.
- B) Developed countries have production lead time over developing countries.
- C) If big companies can figure out what products to develop, so can governments.
- D) Governments have limited resources, so industries with greater growth potential should be targeted.

Answer: <https://biology-forums.com/index.php?topic=572870>

Question 1412

Which of the following perspectives would LEAST likely be considered in a balanced scorecard?

- A) financial
- B) customer
- C) industry standards
- D) learning and growth

Answer: <https://biology-forums.com/index.php?topic=574348>

Question 1413

Country X has a floating rate for luxury goods and a lower rate for semi-manufactured goods. Which of the following is most likely used by Country X?

- A) import deposit requirements
- B) multiple exchange rates
- C) import licensing
- D) quantity controls

Answer: <https://biology-forums.com/index.php?topic=573279>

Question 1414

Gap analysis is _____.

- A) a method for estimating a company's potential sales by identifying segments it is not serving adequately
- B) an investment advisor's report on the future of one of the leading clothing retailers
- C) the leap-frogging of demand in many developing economies whereby consumers skip certain generations of products, buying the latest model instead
- D) an estimation of the disparity in incomes between the very rich and the very poor in a given market

Answer: <https://biology-forums.com/index.php?topic=574146>

Question 1415

In a short essay, discuss the international application of five common marketing orientations.

Answer: <https://biology-forums.com/index.php?topic=574183>

Question 1416

All of the following are primary duties of the Bureau of Customs and Border Protection EXCEPT which one?

- A) assessing all duties, taxes, and fees on imported merchandise
- B) collecting import and export tariffs
- C) protecting the U.S. from threatening imports
- D) policing smuggling operations

Answer: <https://biology-forums.com/index.php?topic=573811>

Question 1417

Why are options most likely so attractive to companies?

- A) The writer of the option does not charge the company any fee for writing the option.
- B) Options provide companies with more flexibility than a forward contract.
- C) Options are usually cheaper than forward contracts.
- D) Options can be used for only foreign-exchange deals.

Answer: <https://biology-forums.com/index.php?topic=573185>

Question 1418

Which of the following is the LEAST likely reason that small countries worry about overdependence caused by globalization?

- A) A large country on which they depend may pressure them on political matters.
- B) A large international firm may dictate its terms of operations in a small country.

C) A large company may exploit legal loopholes to avoid tax payments.
D) A large country may substantially increase its demand for the small country's production.
Answer: <https://biology-forums.com/index.php?topic=572448>

Question 1419

All of the following are problems of using a worldwide brand EXCEPT which one?
A) Brand names may carry a different association in another language.
B) Pronunciation may be difficult in another language.
C) Acquired brand names cannot be legally changed.
D) Pictogram alphabets need visual appeal in addition to phonetic appeal.
Answer: <https://biology-forums.com/index.php?topic=574136>

Question 1420

Why does price escalation most likely occur in exporting?
A) The WTO requires that prices increase.
B) Companies rely on skimming price strategies.
C) Greater distances and more intermediaries increase distribution costs.
D) Uncertain currency value changes necessitate charging higher prices.
Answer: <https://biology-forums.com/index.php?topic=574124>

Question 1421

List and define the types of nontariff barriers that limit the quantity of goods traded: quotas, embargoes, buy local legislation, standards and labels, specific permission requirements, administrative delays, and reciprocal requirements.
Answer: <https://biology-forums.com/index.php?topic=573033>

Question 1422

A democracy grants the voting citizenry the power to alter the laws and structures of government.
Answer: <https://biology-forums.com/index.php?topic=572694>

Question 1423

Formal reports, management performance evaluations, and financial metrics are three examples of _____.
A) coordinating tools
B) coordinating systems
C) control systems
D) control mechanisms
Answer: <https://biology-forums.com/index.php?topic=574030>

Question 1424

In the opening case on the Java Lounge in Saudi Arabia, Saudi businessmen engaged in chit-chat while drinking coffee at a café during the conduct of business. Which of the following was the most likely reason for their behavior?
A) They are fatalistic, believing that the business outcome was predetermined.
B) Their religious convictions kept them from discussing business over alcoholic drinks.
C) They come from a polychronic culture that prefers to multitask.
D) They come from a high-context culture in which small talk and seemingly unrelated information is important to decision making.
Answer: <https://biology-forums.com/index.php?topic=572579>

Question 1425

Practical predeparture training for the expatriate is often geared toward developing his or her sensitivities to overcome culture fright.
Answer: <https://biology-forums.com/index.php?topic=574476>

Question 1426

The "Dependencia" theory holds that the terms for a foreign investor's operations depend on how much the investor and the host country need each other's assets.
Answer: <https://biology-forums.com/index.php?topic=573947>

Question 1427

A Eurocurrency is any currency that is banked outside its country of origin.
Answer: <https://biology-forums.com/index.php?topic=573431>

Question 1428

Export restrictions have a tendency to _____.

- A) favor domestic consumers
- B) protect employment in the export-restricted industries
- C) lower prices in foreign markets
- D) encourage the development of substitutes in the restricting country

Answer: <https://biology-forums.com/index.php?topic=572958>

Question 1429

A global strategy drives performance by making standardized products that are marketed with minimum adaptation to local conditions.

Answer: <https://biology-forums.com/index.php?topic=573655>

Question 1430

The CFO's function in a company focuses on _____.

- A) improving distributor relationships
- B) acquiring financial resources
- C) handling accounting issues
- D) creating financial statements

Answer: <https://biology-forums.com/index.php?topic=573354>

Question 1431

Which of the following statements about small and medium-sized enterprises (SMEs) is true?

- A) SMEs are steadily reducing their export intensity ratios.
- B) SMEs make up the majority of all U.S. exporters.
- C) SMEs are the source of more than half of the monetary value of U.S. exports.
- D) SMEs that export goods have fewer than 20 employees.

Answer: <https://biology-forums.com/index.php?topic=573793>

Question 1432

A joint venture is an example of a portfolio investment.

Answer: <https://biology-forums.com/index.php?topic=572506>

Question 1433

Ted, a manager at Global Manufacturing, is analyzing trends in economic variables to predict future exchange rates that might affect the MNE's international operations. Which of the following is Ted most likely doing?

- A) fundamental forecasting
- B) technical forecasting
- C) resource forecasting
- D) economic forecasting

Answer: <https://biology-forums.com/index.php?topic=573292>

Question 1434

The widening set of interdependent relationships among people from different parts of the world is known as _____.

- A) globalization
- B) offshoring
- C) franchising
- D) outsourcing

Answer: <https://biology-forums.com/index.php?topic=572423>

Question 1435

The integration-responsiveness (IR) grid expresses how a company's _____ is a function of the relationship between its value chain and the prevailing pressures for global integration or local responsiveness in its industry.

- A) value proposition
- B) target market
- C) mission
- D) strategy

Answer: <https://biology-forums.com/index.php?topic=573616>

Question 1436

A U.S. firm owns 100% of its production facility in Brazil; thus it is most likely using a(n) _____ strategy.

- A) comprehensive ownership
- B) vertical integration
- C) appropriability
- D) internalization

Answer: <https://biology-forums.com/index.php?topic=573883>

Question 1437

The requirement by the U.S. government that its subsidiaries abroad comply with trade restrictions with Cuba is an example of _____.

- A) utilitarianism
- B) extraterritoriality
- C) absolute advantage
- D) relative advantage

Answer: <https://biology-forums.com/index.php?topic=573493>

Question 1438

The challenge with setting an optimal transfer price is that there could be conflicting conditions in the local country.

Answer: <https://biology-forums.com/index.php?topic=574375>

Question 1439

The march toward greater political freedoms and more expansive civil liberties, beginning in the 1970s, strongly fueled a sense of _____.

- A) less predictable operating conditions for companies
- B) the inevitability of democracy
- C) different rules for domestic versus international competition
- D) weaker property rights

Answer: <https://biology-forums.com/index.php?topic=572651>

Question 1440

A virtual organization is _____ of a traditional vertical hierarchy.

- A) an elaboration
- B) the antithesis
- C) the latest interpretation
- D) a selective application

Answer: <https://biology-forums.com/index.php?topic=574017>

Question 1441

Compared with a forward contract, a futures contract _____.

- A) is more flexible
- B) is normally available through commercial banks
- C) does not guarantee a future exchange rate
- D) is only traded on an exchange

Answer: <https://biology-forums.com/index.php?topic=573186>

Question 1442

Which of the following is used as an illustration of the PPP theory for estimating exchange rates?

- A) the Composition of Official Foreign Exchange Reserves (COFER)
- B) the black market rate
- C) the import licensing ratio
- D) the Big Mac Index

Answer: <https://biology-forums.com/index.php?topic=573284>

Question 1443

If a company's foreign sales per customer is small compared to those in its domestic market, it should most likely _____.

- A) introduce a larger family of products
- B) narrow the product line offered to the market
- C) reconfigure the product life cycle marketing strategy
- D) shift additional salespeople to the domestic market

Answer: <https://biology-forums.com/index.php?topic=574118>

Question 1444

Committing resources to one country usually means forgoing or delaying projects in others.

Answer: <https://biology-forums.com/index.php?topic=573736>

Question 1445

What are the major sources of external funds for an MNE's normal operations? Why do MNEs use offshore financial centers to raise funds?

Answer: <https://biology-forums.com/index.php?topic=573461>

Question 1446

Stockholders are typically more interested in corporate social responsibility than in earning profits.

Answer: <https://biology-forums.com/index.php?topic=573526>

Question 1447

Market diversity, government intervention, and currency fluctuations complicate international pricing decisions.

Answer: <https://biology-forums.com/index.php?topic=574165>

Question 1448

What is the theory of country size? How is country size determined? How does country size affect national trade patterns?

Answer: <https://biology-forums.com/index.php?topic=572923>

Question 1449

A disadvantage of the _____ strategy is that firms that adopt this strategy can decentralize too much autonomy to national subsidiaries.

- A) multidomestic
- B) continental
- C) international
- D) transnational

Answer: <https://biology-forums.com/index.php?topic=573626>

Question 1450

To determine whether the standard of living within a country is rising or falling, economists would most likely use which of the following measures?

- A) per capita GNI
- B) GNI growth rate
- C) purchasing power parity
- D) degree of human development

Answer: <https://biology-forums.com/index.php?topic=572754>

Question 1451

An irrevocable letter of credit _____.

- A) is issued by a global credit agency
- B) is the basis for multilateral credit netting
- C) can be amended only if all parties involved agree
- D) obligates the exporter's bank to pay interest to the importer

Answer: <https://biology-forums.com/index.php?topic=573198>

Question 1452

The OECD is concerned about transfer pricing practices because _____.

- A) transfer pricing can help maximize a company's worldwide tax liability
- B) transfer prices tend to be higher in industrial than developing countries
- C) governments use transfer prices to manipulate companies' investment strategies
- D) companies use transfer prices to manipulate prices and therefore taxes

Answer: <https://biology-forums.com/index.php?topic=573425>

Question 1453

All of the following are true about passive exports EXCEPT that _____.

- A) companies adapt their products very little to foreign consumer preferences
- B) companies frequently export only if they have excess capacity

C) companies generally quote higher prices on exports than on domestic sales
D) they refer to the filling of unsolicited requests from abroad
Answer: <https://biology-forums.com/index.php?topic=574085>

Question 1454

Which of the following is NOT a common argument for the slowing of future globalization?
A) Antiglobalization interests have been successful in electing parties that oppose freer movement of trade or people.
B) Technological, transportation, and communication advances will decline in the near future.
C) Major countries have either ignored certain international treaties or have refused to sign them.
D) The growing split between those who succeed in a global environment and those who do not will foster greater antiglobalization sentiments.
Answer: <https://biology-forums.com/index.php?topic=572478>

Question 1455

Federal, state, and local governments that recognize the benefits of international trade, actively aid the efforts of potential and active exporters and _____.
A) ensure the quality of exported products
B) establish barriers to punish foreign rivals
C) collect a fee for each successful export sale
D) protect the interests of struggling importers
Answer: <https://biology-forums.com/index.php?topic=573823>

Question 1456

Giga-Mart has an IT system that links the firm's suppliers, manufacturers, customers, and intermediaries. Giga-Mart most likely has a(n) _____,
A) TQM (total quality management)
B) JIT (just-in-time)
C) EDI (electronic data interchange)
D) ERP (enterprise resource planning)
Answer: <https://biology-forums.com/index.php?topic=574217>

Question 1457

_____ is a particularly important consideration in the establishment of a transportation network.
A) Warehouse configuration
B) ISO 9000
C) Rationalization
D) The kanban system
Answer: <https://biology-forums.com/index.php?topic=574250>

Question 1458

IBM puts investments, people, and work anywhere in the world based on the best mix of costs, skills, and environment and uses sophisticated strategies and technologies to support and coordinate activities. IBM most likely uses a _____ structure.
A) classical
B) product
C) neoclassical
D) locational
Answer: <https://biology-forums.com/index.php?topic=574008>

Question 1459

_____ is the chance that political forces may change a country's business environment in ways that lead investors to lose some or all of the value of their investment or be forced to accept a lower-than-projected rate of return.
A) Governmental risk
B) Operating risk
C) Transaction risk
D) Political risk
Answer: <https://biology-forums.com/index.php?topic=572653>

Question 1460

The goal of a free trade agreement is to abolish all tariffs among member countries.
Answer: <https://biology-forums.com/index.php?topic=573103>

Question 1461

EDI is software that can link information flows from different parts of a business and from different geographic areas.

Answer: <https://biology-forums.com/index.php?topic=574264>

Question 1462

Which of the following is most important to the effectiveness of an internal code of conduct?

- A) ensuring that employees understand the code by requiring confirmation in writing
- B) paying bonuses to suppliers and distributors that agree to the code
- C) relying on nonprofit NGOs to develop guidelines
- D) adhering to industry standards and norms

Answer: <https://biology-forums.com/index.php?topic=573519>

Question 1463

The fundamental outlook of the multidomestic strategy is standardization.

Answer: <https://biology-forums.com/index.php?topic=573654>

Question 1464

What metrics are used to measure the performance of an MNE? How is the balanced scorecard approach unique?

Answer: <https://biology-forums.com/index.php?topic=574389>

Question 1465

MNEs most likely use offshore debt markets _____.

- A) to hide their cash from tax authorities
- B) to take advantage of their ability to access capital in different countries
- C) since debt in foreign countries is always cheaper than in the home country market
- D) because investors don't like to invest in companies that only raise capital in their home markets

Answer: <https://biology-forums.com/index.php?topic=573362>

Question 1466

What is the role of the controller in an MNE? What are some of the challenges that a controller faces in an international environment?

Answer: <https://biology-forums.com/index.php?topic=574383>

Question 1467

Consolidation of financial statements is the process of restating foreign subsidiary financial statements into the GAAP of the parent company.

Answer: <https://biology-forums.com/index.php?topic=574368>

Question 1468

English-speaking peoples account for a larger portion of global output than people who speak any other language.

Answer: <https://biology-forums.com/index.php?topic=572598>

Question 1469

The Fed wants to counter downward pressure on the dollar, so it will most likely _____.

- A) sell dollars for foreign currency
- B) sell dollars and buy foreign stocks
- C) buy Treasury bills with dollars
- D) buy dollars with foreign currency

Answer: <https://biology-forums.com/index.php?topic=573274>

Question 1470

The most common way of identifying market segments is through demographics.

Answer: <https://biology-forums.com/index.php?topic=574160>

Question 1471

One of the reasons that neighboring countries tend to ally is similar consumer tastes.

Answer: <https://biology-forums.com/index.php?topic=573101>

Question 1472

Select the correct order, going from low to high total impact on an MNE, of the following types of political risk: (1) procedural political risks, (2) systemic political risks, (3) distributive political risks, (4) catastrophic political risks.

- A) 3, 2, 1, 4
- B) 1, 2, 3, 4
- C) 2, 3, 4, 1
- D) 2, 1, 3, 4

Answer: <https://biology-forums.com/index.php?topic=572656>

Question 1473

A company would most likely outsource abroad in order to gain access to more domestic products.

Answer: <https://biology-forums.com/index.php?topic=574272>

Question 1474

Brain drain is a term that describes _____.

- A) a country's loss of educated, productive people
- B) a nation's shift from an emerging market to a developed economy
- C) the exportation of high-technology products in exchange for low-technology products
- D) the unauthorized use of patents, copyrights, and technology by the counterfeiting industry

Answer: <https://biology-forums.com/index.php?topic=572876>

Question 1475

Why should managers have an understanding of trade protectionism?

- A) Trade protectionism targets factor endowments, thus affecting the best country to locate production.
- B) Trade protectionism affects a company's ability to sell abroad and ability to compete at home.
- C) Trade protectionism affects the number of people permitted to practice a specific profession.
- D) Trade protectionism prevents companies' enactment of merger and acquisition agreements.

Answer: <https://biology-forums.com/index.php?topic=572930>

Question 1476

The international bond market is much larger and more lucrative than the domestic bond market.

Answer: <https://biology-forums.com/index.php?topic=573438>

Question 1477

Instead of comparing different proposals involving foreign operations, companies often make decisions by looking at proposals one at a time. All of the following are reasons for this behavior EXCEPT which one?

- A) Companies need to respond quickly to opportunities.
- B) Defensive decisions typically need to be made rapidly.
- C) A lack of comparable data on different countries renders comparison impossible.
- D) Conclusion of different proposals or studies does not usually happen simultaneously.

Answer: <https://biology-forums.com/index.php?topic=573725>

Question 1478

The belief that there are universal standards of behavior that all cultures should follow is called _____.

- A) humanism
- B) relativism
- C) normativism
- D) naturalism

Answer: <https://biology-forums.com/index.php?topic=573485>

Question 1479

A company starting out with a global focus, usually because of the international experience of its founders, is called a _____.

- A) multinational enterprise
- B) transnational company
- C) strategically allied company
- D) born-global company

Answer: <https://biology-forums.com/index.php?topic=572440>

Question 1480

What are the functions of the European Commission, the European Parliament, the Council, and the European Court of Justice?

Answer: <https://biology-forums.com/index.php?topic=573129>

Question 1481

The growth of small-scale production technology will most likely enable small countries to produce products efficiently for their own consumption.

Answer: <https://biology-forums.com/index.php?topic=572917>

Question 1482

International companies often must customize products to comply with local standards if they are to do business in a particular country.

Answer: <https://biology-forums.com/index.php?topic=572713>

Question 1483

Turnkey projects generally differ from other forms of international business in that _____.

- A) they tend to be smaller
- B) customers are more likely private companies
- C) they are more often located in remote areas
- D) they depend almost entirely on acquisitions rather than greenfield operations

Answer: <https://biology-forums.com/index.php?topic=573918>

Question 1484

Appropriability theory describes a firm's desire to deny rivals access to its competitive resources.

Answer: <https://biology-forums.com/index.php?topic=573938>

Question 1485

What factors influence international accounting practices? What forces are leading to the global convergence of accounting practices?

Answer: <https://biology-forums.com/index.php?topic=574384>

Question 1486

The term _____ refers to a global company that thrives on seeking unique ideas and insights from locations around the world and then leveraging that knowledge in international markets.

- A) multidomestic
- B) domestic
- C) metanational
- D) cross-cultural

Answer: <https://biology-forums.com/index.php?topic=573634>

Question 1487

In a short essay, describe the various reasons for product alteration.

Answer: <https://biology-forums.com/index.php?topic=574184>

Question 1488

What is the relationship between a company's international market and its production location decisions? How do firms benefit from the use of scanning techniques when making location decisions?

Answer: <https://biology-forums.com/index.php?topic=573765>

Question 1489

Geocentrism is the preferred approach to international business practices for most global firms.

Answer: <https://biology-forums.com/index.php?topic=572617>

Question 1490

Keiretsu is one of the two major configurations of sourcing.

Answer: <https://biology-forums.com/index.php?topic=574273>

Question 1491

A foreign-exchange contract that is an agreement between two parties to buy or sell a particular currency at a particular price at a particular date in the

future as specified in a standardized contract to all participants in the specified market is known as a(n) _____.

- A) spot contract
- B) forward contract
- C) futures contract
- D) equity currency contract

Answer: <https://biology-forums.com/index.php?topic=573165>

Question 1492

The Bretton Woods Agreement established a system of fixed exchange rates under which each IMF member country set a _____.

- A) quota
- B) par value
- C) gold standard
- D) nominal interest rate

Answer: <https://biology-forums.com/index.php?topic=573251>

Question 1493

A car manufactured in the U.S. by Toyota would be included in the calculation of the GDP for the United States.

Answer: <https://biology-forums.com/index.php?topic=572790>

Question 1494

A greenfield investment is another name for a company's decision to _____.

- A) acquire an interest in an existing foreign operation
- B) implement sustainable marketing practices
- C) construct a new facility in a foreign market
- D) build a facility for a local company

Answer: <https://biology-forums.com/index.php?topic=573890>

Question 1495

Which of the following has been the primary reason for the recent growth of India's pharmaceutical industry?

- A) globalized supply chains
- B) tiered pricing guidelines
- C) patent-protection laws
- D) foreign investors

Answer: <https://biology-forums.com/index.php?topic=573509>

Question 1496

Rockwall Enterprises is planning to expand the firm by establishing operations outside of the U.S. In which of the following countries would Rockwall most likely be able to establish operations most quickly?

- A) Japan
- B) Brazil
- C) Germany
- D) Australia

Answer: <https://biology-forums.com/index.php?topic=572670>

Question 1497

Which of the labor issues identified by the Ethical Trading Initiative (ETI) receives the most attention?

- A) safe and hygienic working conditions
- B) reasonable living wages
- C) inhumane treatment
- D) child labor

Answer: <https://biology-forums.com/index.php?topic=573510>

Question 1498

_____ refers to any one of several different arrangements that business parties negotiate so that they can trade goods and services with limited or no use of currency.

- A) Factoring
- B) Offset
- C) Countertrade
- D) Barter

Answer: <https://biology-forums.com/index.php?topic=573830>

Question 1499

What role has the IMF played in the Greek financial crisis of 2010-2011?

- A) setting the value of the drachma
- B) releasing funds for debt payments
- C) demanding the sale of state-owned assets
- D) lowering interest rates for international investors

Answer: <https://biology-forums.com/index.php?topic=573255>

Question 1500

_____ is the process of a firm having inputs supplied to it for the production process.

- A) Sourcing
- B) Subcontracting
- C) External production
- D) Offshoring

Answer: <https://biology-forums.com/index.php?topic=574230>

Question 1501

Companies have tended to wait too long to divest poorly performing foreign facilities, trying instead to improve performance through expensive means.

Answer: <https://biology-forums.com/index.php?topic=573758>

Question 1502

Local content regulations are primarily intended to _____.

- A) address cultural differences between local employees and expatriates
- B) encourage MNEs to increase production activities in a country
- C) address contract negotiation difficulties
- D) assess local tax rates on MNEs

Answer: <https://biology-forums.com/index.php?topic=572674>

Question 1503

Cultural change imposed by an alien culture is called _____.

- A) multicultural ethnocentrism
- B) cultural imperialism
- C) collectivism
- D) high-context

Answer: <https://biology-forums.com/index.php?topic=572539>

Question 1504

Which of the following best explains why SpinCent decided to export?

- A) growth opportunities in Asia
- B) labor demands in the U.S.
- C) declining tariffs in the EU
- D) promising market locations in South America

Answer: <https://biology-forums.com/index.php?topic=573780>

Question 1505

Outright forward transactions involve the exchange of currency on a future date beyond two business days at a fixed exchange rate, known as the _____.

- A) spot rate
- B) forward rate
- C) option rate
- D) reverse transaction rate

Answer: <https://biology-forums.com/index.php?topic=573163>

Question 1506

Countertrade refers to any one of several different arrangements that parties negotiate so that they can trade goods and services with limited or no use of currency.

Answer: <https://biology-forums.com/index.php?topic=573859>

Question 1507

Failure rates for overseas postings fall typically between 30 and 50 percent, and usually reduce performance, sidetrack careers, and corrode morale.
Answer: <https://biology-forums.com/index.php?topic=574474>

Question 1508

Trade creation allows consumers access to more goods at a lower price than would have been possible without integration.
Answer: <https://biology-forums.com/index.php?topic=573107>

Question 1509

Members of the Andean Community (CAN) have a common external tariff. CAN is most likely a _____.

- A) free trade agreement
- B) customs union
- C) domestic trade zone
- D) free trade sovereignty

Answer: <https://biology-forums.com/index.php?topic=573053>

Question 1510

The accounting principle that relates to more, rather than less, extensive footnotes in reports is known as _____.

- A) secrecy
- B) measurement
- C) conservatism
- D) transparency

Answer: <https://biology-forums.com/index.php?topic=574309>

Question 1511

Unlike the geocentric and polycentric mindsets, the ethnocentric mindset is not tied to a particular home or host nation.

Answer: <https://biology-forums.com/index.php?topic=574464>

Question 1512

Which of the following is the most important constraint on the explanatory power of the IO paradigm?

- A) Many industries are imperfectly competitive.
- B) Many companies are locally but not internationally competitive.
- C) Most customers have perfect knowledge of the products they select.
- D) Most industries have many firms that each have small market shares.

Answer: <https://biology-forums.com/index.php?topic=573573>

Question 1513

Sales expansion is probably the most important variable in determining international location decisions. This statement is most likely based on the assumption that _____.

- A) consumer demand exceeds supply
- B) increased sales will lead to more profits
- C) the company will have a first-mover advantage
- D) raw materials are available in the country targeted for sales

Answer: <https://biology-forums.com/index.php?topic=573684>

Question 1514

Which term refers to money denominated in the currency of another nation or group of nations?

- A) foreign exchange
- B) foreign subsidy
- C) export tariff
- D) quota

Answer: <https://biology-forums.com/index.php?topic=573141>

Question 1515

Which of the following countries is an important offshore financial center?

- A) Turks and Caicos
- B) Mexico
- C) South Korea

D) Bermuda

Answer: <https://biology-forums.com/index.php?topic=573407>

Question 1516

The dominant currencies in the international bond market are the euro and the U.S. dollar.

Answer: <https://biology-forums.com/index.php?topic=573437>

Question 1517

What is an equity alliance?

- A) a collaborative arrangement in which at least one collaborating company takes an ownership position in the other
- B) a collaboration in which each contributor receives an equitable return based on relative contribution
- C) a collaboration in which partners agree to share technology with each other
- D) a wholly owned acquisition to prevent appropriation of intellectual property

Answer: <https://biology-forums.com/index.php?topic=573923>

Question 1518

Which of the following is the LEAST likely reason that global firms are shifting away from formal organizational structures?

- A) advancements in communication systems
- B) changes in managerial standards
- C) opportunities in new markets
- D) demands of stockholders

Answer: <https://biology-forums.com/index.php?topic=573981>

Question 1519

In a country with a currency that is not freely floating, the timing of an exchange rate change is often a _____ decision.

- A) cultural
- B) consensus
- C) political
- D) market

Answer: <https://biology-forums.com/index.php?topic=573298>

Question 1520

The notion of boundaries, within the context of neoclassical structures, refers to those limitations that interfere with communication and collaboration between the firm and its suppliers, distributors, allies, competitive rivals, and customers.

Answer: <https://biology-forums.com/index.php?topic=574054>

Question 1521

In order to assure the quality of its products, Samsonite _____.

- A) performs only internal quality tests
- B) relies only on independent quality-assurance tests
- C) conforms its products to industry-set standards
- D) uses both internal quality tests and independent quality-assurance tests

Answer: <https://biology-forums.com/index.php?topic=574194>

Question 1522

Hudson Manufacturing is an MNE based in the U.S. with operations in Asia. The firm is considering expansion into the European Union. Which of the following questions is most relevant to the decision?

- A) What is the primary language of most workers?
- B) Which country has the best production location?
- C) Which currency has the most favorable value of the euro?
- D) Which country has the lowest tariffs for manufactured products?

Answer: <https://biology-forums.com/index.php?topic=573071>

Question 1523

ADRs cannot be exchanged for the underlying shares of the foreign stock, therefore, arbitrage cannot keep the prices in line with the foreign price of the stock.

Answer: <https://biology-forums.com/index.php?topic=573443>

Question 1524

The fact that a company is the market leader in one country is no guarantee that it will be the leader in another country.

Answer: <https://biology-forums.com/index.php?topic=572512>

Question 1525

A differentiation strategy works well when _____.

- A) a company designs a universal product for a broad market
- B) buyers believe minor product differences are irrelevant to price
- C) buyers are highly sensitive to price shifts and quality control
- D) a company can continually develop products that have unique features

Answer: <https://biology-forums.com/index.php?topic=573593>

Question 1526

Adopting a market control system requires that the MNE uses external market mechanisms to establish internal performance benchmarks and standards.

Answer: <https://biology-forums.com/index.php?topic=574059>

Question 1527

The owner of a U.S. football team and the owner of a Canadian hockey team purchase a British soccer team. This is an example of a _____.

- A) royalty
- B) portfolio investment
- C) turnkey operation
- D) joint venture

Answer: <https://biology-forums.com/index.php?topic=572480>

Question 1528

Assume Company A receives a proposal from Company B to be a joint venture partner abroad. Company A is most likely to make its decision based on _____.

- A) an opportunity-risk matrix
- B) a go/no-go basis
- C) a global matrix comparison
- D) an oligopolistic reaction

Answer: <https://biology-forums.com/index.php?topic=573726>

Question 1529

In a country's balance of payments, the current account and the capital account represent equal values.

Answer: <https://biology-forums.com/index.php?topic=572801>

Question 1530

What is the difference between a developing country and a developed country? What significant trends are occurring in each type of market that relate to international business decisions?

Answer: <https://biology-forums.com/index.php?topic=572823>

Question 1531

What is a management contract? What are the potential advantages to both parties in the contract?

Answer: <https://biology-forums.com/index.php?topic=573974>

Question 1532

Which of the following is NOT one of the top exchanges that trade in foreign currency futures and options?

- A) CME
- B) UBS
- C) NYSE Liffe
- D) NASDAQ OMX

Answer: <https://biology-forums.com/index.php?topic=573189>

Question 1533

Every time countries enter a new trading agreement, service trade tends to grow more rapidly than merchandise trade.

Answer: <https://biology-forums.com/index.php?topic=573022>

Question 1534

The free trade theories of specialization assume that countries will be better off even though some people are unemployed.

Answer: <https://biology-forums.com/index.php?topic=572896>

Question 1535

Which of the following is NOT one of the three basic configurations that MNEs consider when establishing a global manufacturing strategy?

- A) regional manufacturing
- B) centralized manufacturing
- C) multidomestic manufacturing
- D) multicultural manufacturing

Answer: <https://biology-forums.com/index.php?topic=574209>

Question 1536

If the forward rate for a foreign currency is less than the spot rate, the foreign currency is selling at a forward premium.

Answer: <https://biology-forums.com/index.php?topic=573221>

Question 1537

Amazon relies on the Internet to join together suppliers with companies and companies with customers. Amazon is most likely using _____.

- A) value-added networks
- B) e-commerce
- C) electronic data interchange
- D) private technology exchange

Answer: <https://biology-forums.com/index.php?topic=574219>

Question 1538

In international trade, what is a quota?

- A) a guarantee by one country to buy some minimum amount from another
- B) a quantitative limit on the amount of a product that can be imported or exported
- C) a countertrade arrangement that establishes the value of imports and exports
- D) a bilateral agreement calling for mutual access to markets

Answer: <https://biology-forums.com/index.php?topic=572976>

Question 1539

Depository receipts traded outside the United States are called _____ depository receipts.

- A) Euro
- B) Global
- C) American
- D) None of the above

Answer: <https://biology-forums.com/index.php?topic=573385>

Question 1540

If a foreign currency is quoted in American terms (the direct quote) and the forward rate is greater than the spot rate, the foreign currency is selling at a _____.

- A) forward premium
- B) forward discount
- C) backward discount
- D) discounted premium

Answer: <https://biology-forums.com/index.php?topic=573180>

Question 1541

In regards to accounting, what is the impact of the SEC and Sarbanes-Oxley Act on international business?

Answer: <https://biology-forums.com/index.php?topic=574392>

Question 1542

In a practical sense, the term political system is meant to signify the _____.

- A) organization of military power in a country
- B) working government in a country
- C) philosophical orientations in a country

D) cultural values in a country

Answer: <https://biology-forums.com/index.php?topic=572637>

Question 1543

Describe and compare the different types of tariffs (duties).

Answer: <https://biology-forums.com/index.php?topic=573031>

Question 1544

The MNE that applies a global strategy aims to _____.

- A) compete essentially the same way wherever the company does business
- B) empower local operations to make decisions about value activities
- C) adapt activities to the industry standards in critical markets
- D) customize its business practices to consumer expectations

Answer: <https://biology-forums.com/index.php?topic=573629>

Question 1545

What is a futures contract? What institutions handle futures contracts?

Answer: <https://biology-forums.com/index.php?topic=573243>

Question 1546

How can an MNE operating in a developing country have a positive influence on labor policies? Illustrate your answer with an example.

Answer: <https://biology-forums.com/index.php?topic=573563>

Question 1547

Which of the following is most likely a true statement about companies' acquisition of resources/assets abroad?

- A) Regardless of industry, cheap labor is the most sought after resource.
- B) Resource availability limits a firm's production location choices.
- C) Regardless of industry, raw materials are the most sought after resource.
- D) Risks are higher for resource-seeking than for sales-seeking foreign operations.

Answer: <https://biology-forums.com/index.php?topic=573688>

Question 1548

In conducting _____, a business sells goods directly to or through an independent domestic intermediary in the exporter's home country that exports the products to foreign markets.

- A) direct exporting
- B) global marketing
- C) strategic planning
- D) indirect exporting

Answer: <https://biology-forums.com/index.php?topic=573812>

Question 1549

Which stakeholder group is most interested in trustworthy behavior by corporate executives and increased corporate taxes?

- A) shareholders
- B) society
- C) employees
- D) customers

Answer: <https://biology-forums.com/index.php?topic=573471>

Question 1550

The success of a global manufacturing strategy depends on compatibility, configuration, coordination, and control.

Answer: <https://biology-forums.com/index.php?topic=574255>

Question 1551

At Cooper Industries, Jake is responsible for evaluating potential acquisitions abroad, managing cash flow, tax planning, and internal auditing. Which of the following is most likely Jake's position at Cooper?

- A) CEO
- B) treasurer
- C) regulator
- D) controller

Answer: <https://biology-forums.com/index.php?topic=574295>

Question 1552

Many professional basketball teams recruit tall youngsters in foreign countries into basketball camps where they can develop basketball skills and perhaps become candidates for professional play. This is an example of engaging in international business to acquire resources.

Answer: <https://biology-forums.com/index.php?topic=572502>

Question 1553

Which of the following calls for economic activity that meets present needs without hindering the future needs of society?

- A) privatization
- B) state capitalism
- C) economic freedom
- D) sustainable development

Answer: <https://biology-forums.com/index.php?topic=572783>

Question 1554

Which of the following statements is important to companies in order for them to gain contracts with foreign distributors?

- A) Convince the distributors that the product and company are viable.
- B) Offer high margins so distributors will compete to get the account.
- C) Determine the distribution gap before signing a contract.
- D) Establish in-house distribution to demonstrate what is desired.

Answer: <https://biology-forums.com/index.php?topic=574143>

Question 1555

Why do you think corporate universities are becoming more popular among MNEs? How do both MNEs and employees benefit from corporate universities?

Answer: <https://biology-forums.com/index.php?topic=574077>

Question 1556

A driving factor for the growth in imports is the impact of _____.

- A) government programs
- B) labor specialization
- C) consumer preferences
- D) social trends

Answer: <https://biology-forums.com/index.php?topic=573808>

Question 1557

In which of the following situations would tax rate differences among countries be most important for deciding where to place an investment?

- A) Companies find advantages in being located near specialized private and public institutions.
- B) Companies must compare the benefits of labor- versus capital-intensive production.
- C) Companies want to serve an entire region within a regional trading bloc.
- D) Companies must deal with difficult start-up regulations.

Answer: <https://biology-forums.com/index.php?topic=573690>

Question 1558

The Industry Organization (IO) paradigm assumes which of the following?

- A) stable political and cultural trends
- B) shifting foreign-exchange rates
- C) perfect competition
- D) unequal value

Answer: <https://biology-forums.com/index.php?topic=573572>

Question 1559

Which of the following are members of NAFTA?

- A) the United States, Canada, and Mexico
- B) North America and Latin America
- C) the United Kingdom, the United States, and Canada
- D) the United States, Canada, and Brazil

Answer: <https://biology-forums.com/index.php?topic=573075>

Question 1560

The theory of absolute advantage holds that there are advantages to trade because different countries can produce different goods more efficiently than others.

Answer: <https://biology-forums.com/index.php?topic=572892>

Question 1561

Why are financial risks a key concern of SMEs considering international trade?

Answer: <https://biology-forums.com/index.php?topic=573877>

Question 1562

Global integration occurs as countries from all over the world decide to cooperate through the _____.

- A) EU
- B) NAFTA agreement
- C) WTO
- D) CARICOM

Answer: <https://biology-forums.com/index.php?topic=573038>

Question 1563

A company would most likely export at a price lower than its production and distribution costs in order to _____.

- A) use a skimming strategy abroad before using one domestically
- B) test a market before making a big commitment
- C) use a cost-plus strategy globally
- D) encourage gray market sales

Answer: <https://biology-forums.com/index.php?topic=574120>

Question 1564

Zara creates, produces, and distributes most of its products from its headquarters in Spain. Zara is most likely using a _____ configuration.

- A) concentrated
- B) coordinated
- C) dispersed
- D) logical

Answer: <https://biology-forums.com/index.php?topic=573601>

Question 1565

Country X is in the process of transforming from a command economy to a market economy. This process most likely involves _____.

- A) standardized procedures implemented by the state
- B) high economic growth rates for the long-term
- C) privatization of many factors of production
- D) violent political and legal upheaval

Answer: <https://biology-forums.com/index.php?topic=572749>

Question 1566

A currency that is pegged to another currency is usually changed on a supply-and-demand basis.

Answer: <https://biology-forums.com/index.php?topic=573319>

Question 1567

Which of the following is the LEAST likely reason that consumers would prefer domestically made products over imports?

- A) belief that imports are subsidized
- B) feelings of national pride and sentiment
- C) negative associations with products from certain countries
- D) concerns that parts will be difficult to obtain for foreign products

Answer: <https://biology-forums.com/index.php?topic=573880>

Question 1568

An effective code of conduct reports results to external stakeholders.

Answer: <https://biology-forums.com/index.php?topic=573550>

Question 1569

How do exchange rate changes affect a company's marketing, production, and financial decisions? What predictors should a manager monitor to forecast exchange rate changes?

Answer: <https://biology-forums.com/index.php?topic=573347>

Question 1570

Costa Rica applied the concepts of the diamond of national advantage theory to help transform its economy by _____.

- A) building domestic demand for its products and services
- B) looking globally to develop favorable conditions
- C) following import substitution policies
- D) concentrating on nontradable goods

Answer: <https://biology-forums.com/index.php?topic=572867>

Question 1571

In advertisements aimed at different countries, companies sometimes use actors who do not speak, along with a voice and/or print overlay. What is the main reason for doing this?

- A) avoiding dubbing that does not correspond to lip movements
- B) altering themes and messages among countries
- C) meeting legal requirements on morality
- D) reaching a hearing- or sight-impaired audience

Answer: <https://biology-forums.com/index.php?topic=574135>

Question 1572

In addition to understanding the laws affecting business in countries where their companies operate, it is most important for managers to understand the _____.

- A) methods for appointing local judges
- B) ethical rationale behind the laws
- C) history of the local legal system
- D) degree of law enforcement

Answer: <https://biology-forums.com/index.php?topic=572471>

Question 1573

What is the country similarity theory? According to this theory, what factors affect trade patterns?

Answer: <https://biology-forums.com/index.php?topic=572924>

Question 1574

According to the product life cycle theory, production and sales are primarily domestic in the introductory stage because _____.

- A) businesses need quick market feedback
- B) tariff reductions remain under negotiation
- C) international transport costs are too high
- D) international patents have not been approved

Answer: <https://biology-forums.com/index.php?topic=572857>

Question 1575

_____ effects of trade agreements are the shifting of resources from inefficient to efficient companies as trade barriers fall.

- A) Dynamic
- B) Static
- C) Economic
- D) Barrier

Answer: <https://biology-forums.com/index.php?topic=573054>

Question 1576

As a center for foreign-exchange trading, London _____.

- A) actually trades more U.S. dollars than are traded in the United States
- B) usually opens up for business as trades are winding down in the United States
- C) deals primarily in European currencies and is not as active in trading U.S. dollars
- D) deals primarily in spot rather than forward trades

Answer: <https://biology-forums.com/index.php?topic=573172>

Question 1577

Which of the following is NOT an advantage associated with Eurocurrencies?

- A) more convenience for users
- B) better yield for lenders
- C) tighter U.S. regulation
- D) cheaper lending rates

Answer: <https://biology-forums.com/index.php?topic=573365>

Question 1578

Equity financing is the degree to which a firm funds the growth of a business by debt.

Answer: <https://biology-forums.com/index.php?topic=573430>

Question 1579

What is the difference between a command economy and state capitalism?

Answer: <https://biology-forums.com/index.php?topic=572825>

Question 1580

Explain the rationale for and problems with making the infant-industry argument work as intended.

Answer: <https://biology-forums.com/index.php?topic=573024>

Question 1581

Managers at Morrison Manufacturing are considering expanding the firm's production overseas and want to ensure that the firm is located in a country with a high degree of economic freedom. Presently, which of the following locations would most likely offer Morrison the highest economic freedom?

- A) Bolivia
- B) Hong Kong
- C) Venezuela
- D) North Korea

Answer: <https://biology-forums.com/index.php?topic=572730>

Question 1582

Why are MNEs criticized for exporting to developing countries the same products they sell in developed countries?

- A) The prices of the products are too low in developing countries.
- B) Many of the products are deemed to be unnecessary for low income consumers.
- C) The sales enhance local company failures in developing countries.
- D) Developing countries need local production rather than imports.

Answer: <https://biology-forums.com/index.php?topic=574094>

Question 1583

The purpose of "Made in" labels on imported products is to enable countries to keep records of the origin of imports.

Answer: <https://biology-forums.com/index.php?topic=573016>

Question 1584

The distinguishing feature of political ideologies along the political spectrum is _____, with some emphasizing its primacy and others opposing it.

- A) capitalism
- B) socialism
- C) freedom
- D) liberalism

Answer: <https://biology-forums.com/index.php?topic=572638>

Question 1585

Profile the idea and features of horizontal differentiation, paying particular attention to its implications to how managers design their company's structure.

Answer: <https://biology-forums.com/index.php?topic=574069>

Question 1586

Discuss the characteristics of international, multidomestic, global, and transnational strategies. Include situations and a specific example in which each strategy would be most appropriate.

Answer: <https://biology-forums.com/index.php?topic=573671>

Question 1587

Studies indicate a strong correlation between the intensity of religious belief and _____.

- A) a desire to convert productivity gains into more leisure time
- B) an adherence to some attributes that lead to economic growth
- C) the belief that material success is related to salvation
- D) the degree of ethnocentrism exhibited in a culture

Answer: <https://biology-forums.com/index.php?topic=572547>

Question 1588

The _____ sets the expatriate's salary in terms of the salary of a comparable job in the city where the MNE has its headquarters.

- A) host-based method
- B) home-based method
- C) headquarters-based method
- D) culturally based method

Answer: <https://biology-forums.com/index.php?topic=574441>

Question 1589

When a company does business in another country whose official language is the same as its home country's, the company should most likely _____.

- A) assume that communications will go smoothly
- B) use back-translation on all written documents
- C) realize that words may have different meanings
- D) assume that word meanings are the same despite spelling differences

Answer: <https://biology-forums.com/index.php?topic=572564>

Question 1590

In the spot market, the spread is the difference between the bid and offer rates and is the trader's profit margin.

Answer: <https://biology-forums.com/index.php?topic=573220>

Question 1591

The more a company needs to alter its products and ways of doing business to be successful abroad, the more it should rely on a diversification strategy for entering foreign markets.

Answer: <https://biology-forums.com/index.php?topic=573756>

Question 1592

Under the theory of absolute advantage, countries hold two types of advantages—acquired advantages and technological advantages.

Answer: <https://biology-forums.com/index.php?topic=572893>

Question 1593

Technology such as e-mail, VoIP, teleconferencing, and social networks help MNEs respond to increasing globality.

Answer: <https://biology-forums.com/index.php?topic=574044>

Question 1594

According to the Ethical Trading Initiative, child labor cannot be used unless there are no suitable alternatives for employees.

Answer: <https://biology-forums.com/index.php?topic=573547>

Question 1595

Which of the following accurately explains how producers are affected by exchange rate changes?

- A) To save money, a manufacturer may decide to relocate production to a country with a stronger currency.
- B) A manufacturing firm relocating to a country with a weak currency can make a cheap initial investment.
- C) Goods manufactured in a country with a weak currency may be relatively expensive in world markets.
- D) A manufacturer with high operating expenses would likely relocate production to a country with a currency that is gaining value.

Answer: <https://biology-forums.com/index.php?topic=573305>

Question 1596

Which of the following transactions refers to the purchase of goods or services produced by a company based in one country from sellers that reside in

a different country?

- A) importing
- B) countertrading
- C) exporting
- D) freight forwarding

Answer: <https://biology-forums.com/index.php?topic=573782>

Question 1597

A manager practicing relativism would most likely _____.

- A) adapt to local conditions instead of implementing home-country practices
- B) enforce home-country laws on host-country employees and suppliers
- C) refuse to change company policies and procedures to comply with local norms
- D) apply universal laws to each country despite local customs and traditions

Answer: <https://biology-forums.com/index.php?topic=573484>

Question 1598

How has technology altered supply chain management? Discuss some of the available tools.

Answer: <https://biology-forums.com/index.php?topic=574285>

Question 1599

As exemplified in China, the government in a collectivist society is highly connected to and interdependent with business.

Answer: <https://biology-forums.com/index.php?topic=572690>

Question 1600

Major types of indirect intermediaries include export trading companies, distributors, and freight forwarding companies.

Answer: <https://biology-forums.com/index.php?topic=573855>

Question 1601

Which of the following was NOT a result of the Smithsonian Agreement?

- A) revaluation of currencies other than the dollar against gold
- B) establishment of par values the quota system
- C) devaluation of the dollar against gold
- D) widening of exchange-rate flexibility

Answer: <https://biology-forums.com/index.php?topic=573256>

Question 1602

Compton Cereal Company sells its cereals in most global markets, and overall sales at the firm remain strong. However, the firm is losing sales to some of its competitors because Compton lacks a gluten-free cereal. Which of the following best describes Compton's current problem?

- A) usage gap
- B) competitive gap
- C) distribution gap
- D) product-line gap

Answer: <https://biology-forums.com/index.php?topic=574151>

Question 1603

Firms alter their products for foreign markets for all of the following reasons EXCEPT _____.

- A) home country export requirement
- B) religious differences abroad
- C) weak infrastructures in some countries
- D) to respond to legal requirements

Answer: <https://biology-forums.com/index.php?topic=574098>

Question 1604

Country X has a significant amount of external debt. Which of the following is the most likely cause?

- A) The government of Country X borrowed money from local banks.
- B) The government of Country X borrowed money from other governments.
- C) The government of Country X spent more than it collected in revenues.
- D) The government of Country X received short-term credits from selling bonds.

Answer: <https://biology-forums.com/index.php?topic=572767>

Question 1605

What are the differences between democratic and totalitarian political systems? What does current research suggest about the spread of democracy and totalitarianism in the world?

Answer: <https://biology-forums.com/index.php?topic=572718>

Question 1606

Each ADR represents _____ of the shares of the underlying foreign stock.

- A) a multiple
- B) 100
- C) 1
- D) ADRs have nothing to do with foreign stocks.

Answer: <https://biology-forums.com/index.php?topic=573386>

Question 1607

Bocce Shoes, an Italian firm, set up a production facility in Vietnam to manufacture the firm's line of athletic shoes. Bocce is most likely using a(n) _____ strategy.

- A) dependability
- B) flexibility
- C) innovation
- D) efficiency/cost

Answer: <https://biology-forums.com/index.php?topic=574206>

Question 1608

Most trade groups contain countries in the same area of the world. Why is this so?

- A) The distances that goods need to travel between such countries are short.
- B) Distribution channels are not easily established in adjacent countries.
- C) Adjacent countries are reluctant to coordinate policies.
- D) Neighboring countries usually lack a common history and interests.

Answer: <https://biology-forums.com/index.php?topic=573047>

Question 1609

Import restrictions are becoming less important because consumers increasingly want to buy goods and services produced in their own countries.

Answer: <https://biology-forums.com/index.php?topic=572493>

Question 1610

Iverson Products is a U.S. firm that is considering expanding internationally by exporting. Which of the following is the LEAST likely benefit for Iverson?

- A) boosting marketplace flexibility
- B) improving economies of scale
- C) facing lower business risk compared to other foreign market entry options
- D) requiring fairly few resources

Answer: <https://biology-forums.com/index.php?topic=573781>

Question 1611

Current approaches to designing an organization see the task of building knowledge-generating and decision-making relationships as less important than specifying the best structural arrangement.

Answer: <https://biology-forums.com/index.php?topic=574038>

Question 1612

The term "_____ culture" describes a country in which the norm is a money-and-things orientation and a belief that it's better to "live to work" than to "work to live."

- A) high masculinity
- B) physiological
- C) non-fatalistic
- D) high-femininity

Answer: <https://biology-forums.com/index.php?topic=572549>

Question 1613

The balanced scorecard is _____.

- A) an average of foreign-exchange rates
- B) an approach to performance measurement
- C) used widely by U.S. firms but not European firms
- D) not very successful at linking financial and nonfinancial performance

Answer: <https://biology-forums.com/index.php?topic=574346>

Question 1614

Which of the following has MOST influenced consumers to demand access to foreign-made products?

- A) Declining global affluence has caused consumers to seek out lower-priced products from abroad.
- B) Consumers have become more efficient in using media and technologies to compare prices worldwide.
- C) Fearing that their governments will enact restrictive policies on imports, consumers are stocking up on foreign products before restrictions are put in place.
- D) Expectations of rising prices of foreign products have caused consumers to seek foreign products before their prices become prohibitive.

Answer: <https://biology-forums.com/index.php?topic=572434>

Question 1615

Terrell, a manager with Qualsys Technologies, has been on an expatriate assignment in Russia for the last three years. Terrell's foreign assignment has ended, and he is working with HR to return to the U.S. and begin a new job at the firm's headquarters in Philadelphia. In which activity is Terrell most likely involved?

- A) expatriation
- B) repatriation
- C) demotion
- D) promotion

Answer: <https://biology-forums.com/index.php?topic=574445>

Question 1616

An NGO is a private institution independent from the government.

Answer: <https://biology-forums.com/index.php?topic=573122>

Question 1617

The crowding of a foreign market to prevent competitors' advantages is known as _____.

- A) oligopolistic reaction
- B) concentration strategy
- C) liability of foreignness
- D) a harvesting strategy

Answer: <https://biology-forums.com/index.php?topic=573702>

Question 1618

A turnkey operation is a contract for the construction of an operating facility for a fee.

Answer: <https://biology-forums.com/index.php?topic=573956>

Question 1619

In terms of political risk, it is most accurate to state that high risk _____.

- A) affects all geographic regions of a country equally
- B) affects all foreign companies in the same manner
- C) if avoided, may lead to higher competitive risk
- D) triggers government turnovers

Answer: <https://biology-forums.com/index.php?topic=573694>

Question 1620

Grids are a useful method of comparing countries for international business expansion because they _____.

- A) generally show how countries will perform in the future
- B) show risk on one axis and opportunity on another
- C) set minimum scores for proceeding further
- D) highlight first-mover advantages

Answer: <https://biology-forums.com/index.php?topic=573712>

Question 1621

The measure of the value of production that occurs within a country's borders without regard to whether the production is done by domestic or foreign factors of production is its _____.

- A) net national product (NNP)
- B) gross national product (GNP)
- C) gross domestic product (GDP)
- D) gross national income (GNI)

Answer: <https://biology-forums.com/index.php?topic=572753>

Question 1622

In a strategy known as _____, many new companies locate themselves near competitors and suppliers.

- A) offshoring
- B) franchising
- C) clustering or agglomeration
- D) exporting

Answer: <https://biology-forums.com/index.php?topic=572441>

Question 1623

Infant-industry protection requires some segment of the economy to incur the higher costs when local production is inefficient.

Answer: <https://biology-forums.com/index.php?topic=572998>

Question 1624

Many companies and industries argue that they should have the same access to foreign markets as foreign industries and companies have to their markets. In a short essay, discuss this issue of "comparable access," or "fairness."

Answer: <https://biology-forums.com/index.php?topic=573027>

Question 1625

According to regional content rules, at least _____ of the net cost of most products must come from the NAFTA region in order to get access to the tariff reductions of NAFTA.

- A) 62.5%
- B) 50%
- C) 45%
- D) 40.5%

Answer: <https://biology-forums.com/index.php?topic=573080>

Question 1626

Google essentially views the entire world as one market and assumes that there are no fundamental differences among countries with regard to consumers' preferences. Google is engaging a(n) _____ strategy.

- A) international
- B) multidomestic
- C) transnational
- D) global

Answer: <https://biology-forums.com/index.php?topic=573627>

Question 1627

Which of the following is a primary task of international financial managers?

- A) raise funds for the firm through product marketing
- B) oversee cash-flow of the firm's value-adding activities
- C) manage international joint-venture arrangements
- D) determine the salaries of executives and personnel

Answer: <https://biology-forums.com/index.php?topic=573357>

Question 1628

Capital budgeting requires companies to determine free cash flows, which are affected by factors such as local tax rates.

Answer: <https://biology-forums.com/index.php?topic=573446>

Question 1629

What has been the influence of Japan on supply chain management? In your answer, discuss the concepts of industrial clustering and quality.

Answer: <https://biology-forums.com/index.php?topic=574291>

Question 1630

How do foreign government regulations affect pricing and promotion for international businesses?

Answer: <https://biology-forums.com/index.php?topic=574191>

Question 1631

The group most likely to become involved in disputes concerning trade protectionism is consumers.

Answer: <https://biology-forums.com/index.php?topic=572993>

Question 1632

Comparing countries in international business is LEAST useful for determining the _____.

- A) best location for sales and production
- B) sequence of entering different countries
- C) amount of resources to allocate in each country
- D) selection of which managers to send to which countries

Answer: <https://biology-forums.com/index.php?topic=573676>

Question 1633

Large companies that have resources to go it alone may have advantages in product development over small companies that do not because _____.

- A) evidence suggests that collaborative arrangements slow the speed of innovation
- B) large companies can dictate their terms of operations abroad
- C) small companies are disadvantaged in legal settlements
- D) large companies need not adapt to national differences

Answer: <https://biology-forums.com/index.php?topic=573935>

Question 1634

Export-led development refers to the off-shoring of production.

Answer: <https://biology-forums.com/index.php?topic=573002>

Question 1635

Countries with large land areas are generally less dependent on trade than countries with small land areas.

Answer: <https://biology-forums.com/index.php?topic=572898>

Question 1636

International business includes all commercial transactions between two or more countries.

Answer: <https://biology-forums.com/index.php?topic=572484>

Question 1637

For the provider, management contracts offer the advantage of _____.

- A) receiving income without making a capital outlay
- B) increasing their merchandise exports
- C) reducing their global taxes
- D) better access to raw materials

Answer: <https://biology-forums.com/index.php?topic=573913>

Question 1638

Which of the following accurately identifies a difference between GATT and the WTO?

- A) GATT could enforce member compliance with agreements, but the WTO cannot.
- B) At its inception, GATT had more member nations than the WTO currently has.
- C) GATT withdrew the most-favored-nation clause, but the WTO reinstated it.
- D) GATT rules did not cover trade in services, but the rules of the WTO do.

Answer: <https://biology-forums.com/index.php?topic=573044>

Question 1639

What is configuration? Briefly list and discuss the factors that influence value chain configuration.

Answer: <https://biology-forums.com/index.php?topic=573668>

Question 1640

The _____ the level of the company at which managers make decisions, the more that organization is _____.

- A) higher; decentralized
- B) lower; centralized
- C) higher; centralized
- D) higher; unstructured

Answer: <https://biology-forums.com/index.php?topic=573986>

Question 1641

The _____ is the common currency of the European Union.

- A) franc
- B) pound
- C) euro
- D) mark

Answer: <https://biology-forums.com/index.php?topic=573068>

Question 1642

British MNEs are more likely to use the forecast exchange rate to set the budget.

Answer: <https://biology-forums.com/index.php?topic=574374>

Question 1643

The SDR is equal in value to the U.S. dollar.

Answer: <https://biology-forums.com/index.php?topic=573311>

Question 1644

It is most accurate to say that within most nations' borders, people largely share such essential attributes as _____ and _____.

- A) work attitudes; occupations
- B) lifestyles; education level
- C) education level; ethnicity
- D) values; language

Answer: <https://biology-forums.com/index.php?topic=572534>

Question 1645

All of the following are ways that Coca-Cola has been attempting to increase its global sales EXCEPT _____.

- A) gaining licenses to use brand names of other companies
- B) acquiring companies with complementary products
- C) adding alcoholic beverages to its product line
- D) distributing soft drinks from other companies

Answer: <https://biology-forums.com/index.php?topic=573879>

Question 1646

The ability to compare production costs among countries in an effort to determine where to locate production is significantly hampered by all of the following EXCEPT _____.

- A) the number of ways the same product can be made
- B) restrictions on the international flow of data
- C) the ways that laws may be enforced
- D) future costs from exchange rate changes

Answer: <https://biology-forums.com/index.php?topic=573689>

Question 1647

A company should probably use a concentration strategy for international expansion when there are _____.

- A) high needs for product adaptation and low growth in each market
- B) short competitive lead times and low spillover effects
- C) high growth rate and long competitive lead times
- D) low sales stability and short competitive lead times

Answer: <https://biology-forums.com/index.php?topic=573718>

Question 1648

The stock market is also known as the _____.

- A) capital market
- B) foreign-exchange market
- C) bond market
- D) equity-capital market

Answer: <https://biology-forums.com/index.php?topic=573382>

Question 1649

Subpart F income is passive and usually derived from operations in a tax-haven country.

Answer: <https://biology-forums.com/index.php?topic=573451>

Question 1650

Pursuing responsible behavior for strategic and financial success is an example of relative behavior.

Answer: <https://biology-forums.com/index.php?topic=573531>

Question 1651

What are the roles of compatibility, configuration, coordination, and control in a global manufacturing strategy? Describe each of these four factors.

Answer: <https://biology-forums.com/index.php?topic=574284>

Question 1652

Which of the following factors increasingly encourages MNEs to install a geographic division structure?

- A) growth of emerging markets
- B) diversification of products
- C) rise of social networking
- D) global recession

Answer: <https://biology-forums.com/index.php?topic=574004>

Question 1653

In computing GNI, the value of a Ford car that is manufactured in Mexico using capital from the United States would _____.

- A) be added to the GNI of the United States as well as to the GNI and GDP of Mexico
- B) not be added to the GNI of the United States but would be added to the GNI of Mexico
- C) only affect the computation of GDP and have no bearing on GNI
- D) be added to the GNI of the United States but not the GNI of Mexico

Answer: <https://biology-forums.com/index.php?topic=572752>

Question 1654

Anita, an employee at ABX Partners, a hedge fund firm, has purchased euros because she believes that the euro will strengthen against other currencies. Which term best describes Anita's activities?

- A) arbitrage
- B) speculation
- C) spot transaction
- D) outright forward

Answer: <https://biology-forums.com/index.php?topic=573201>

Question 1655

The teleological approach asserts that individuals make moral judgments independent of consequences.

Answer: <https://biology-forums.com/index.php?topic=573527>

Question 1656

Which of the following statements about Costa Rica and its approach to trade and factor-mobility strategy is true?

- A) Costa Rica decided to select industries that would produce competitive products and improve workers' skills.
- B) Costa Rica decided to attract industries acceptable to its major trading partners.
- C) Costa Rica decided to select industries on a least cost basis.
- D) Costa Rica decided to invite industries that were highly technical.

Answer: <https://biology-forums.com/index.php?topic=572829>

Question 1657

The fundamental limitation of a matrix structure is that it _____.

- A) creates a poor organizational culture

- B) isolates upper management from operational levels
- C) institutes a dual hierarchy that violates the unity-of-command principle
- D) introduces more errors in the decision-making process due to the speed of the process

Answer: <https://biology-forums.com/index.php?topic=574006>

Question 1658

A condition that is conducive to low transfer prices from the parent company to the subsidiary and high transfer prices from the subsidiary to the parent company is where the corporate income tax is lower in the subsidiary's country than in the parent country.

Answer: <https://biology-forums.com/index.php?topic=574376>

Question 1659

Executives at Apex decided to use a production orientation in the firm's international marketing efforts. Which of the following statements best supports this decision?

- A) Top management at Apex is committed to the concept of social responsibility.
- B) Apex is willing to alter its products to fit mass-market needs in foreign countries offering growth potential.
- C) Apex will produce in each country where it sells.
- D) Apex will aim sales at foreign-market segments that resemble segments to which it aims domestically.

Answer: <https://biology-forums.com/index.php?topic=574084>

Question 1660

A differentiation strategy works well in situations where there are many ways to differentiate a product or service and many buyers perceive these differences as having value.

Answer: <https://biology-forums.com/index.php?topic=573643>

Question 1661

A distinct disadvantage of an international strategy is _____.

- A) restricting the movement of core competencies to local markets
- B) capitalizing on the benefits of global learning
- C) customizing product offerings to local conditions
- D) relying on home managers' knowledge of foreign markets

Answer: <https://biology-forums.com/index.php?topic=573622>

Question 1662

What is the most likely reason that companies such as Gillette (razor blades) and 3M (scouring pads) sell products in smaller package sizes in some developing countries?

- A) Family size is small in those countries.
- B) Some governments require the smaller sizes.
- C) In those countries, many consumers lack sufficient cash to buy larger quantities.
- D) These are products for which the cost of altering package size is negligible.

Answer: <https://biology-forums.com/index.php?topic=574097>

Question 1663

According to the translation process in the United States, _____.

- A) companies first translate their statements into dollars, and then recast their financial statements consistent with U.S. GAAP
- B) companies recast their financial statements consistent with U.S. GAAP, and then translate them into U.S. dollars
- C) companies only need to worry about the translation process because local operations take place in a local GAAP environment
- D) companies translate foreign currency financial statements only if the dollar is weakening against the local currency

Answer: <https://biology-forums.com/index.php?topic=574327>

Question 1664

In societies where trust is high, _____.

- A) people tend to be more future-oriented
- B) business costs are typically lower
- C) people tend to be more fatalistic
- D) family businesses are dominant

Answer: <https://biology-forums.com/index.php?topic=572556>

Question 1665

Host governments' growing demands for increasing operational transparency will most likely spur companies to make their value chains more

- _____.
- A) locally responsive
 - B) globally integrated
 - C) concise
 - D) complex

Answer: <https://biology-forums.com/index.php?topic=573613>

Question 1666

Cultures do not transcend national (state) boundaries.

Answer: <https://biology-forums.com/index.php?topic=572593>

Question 1667

_____ are special locations for storing domestic and imported inventory in order to avoid paying duties until the inventory is sold.

- A) Foreign trade zones (FTZs)
- B) Ports of entry
- C) Duty-free zones
- D) Customs areas

Answer: <https://biology-forums.com/index.php?topic=574247>

Question 1668

Country A and Country B make an agreement to cooperate more closely and implement tariff reductions. Which of the following best describes this agreement?

- A) double commodity integration
- B) multilateral integration
- C) regional integration
- D) bilateral integration

Answer: <https://biology-forums.com/index.php?topic=573036>

Question 1669

Executives at a U.S. firm are debating whether to start a new operation in Russia or acquire an existing one. Which of the following factors best supports a decision to start up a new operation in Russia?

- A) The Russian government places restrictions on the outward transfer of foreign capital.
- B) Labor relations at existing Russian firms are poor and difficult to change.
- C) Russia's currency is weak and stock market prices are significantly depressed.
- D) Existing companies have goodwill and positive brand recognition in Russia.

Answer: <https://biology-forums.com/index.php?topic=573889>

Question 1670

What is the most likely reason that firms avoid aggressively seeking export opportunities?

- A) Exporting is an activity best left to large, resource rich firms.
- B) Firms are unaware of opportunities in foreign markets.
- C) Foreign customers cannot easily communicate their needs.
- D) Firms are reluctant to adjust their established business practices.

Answer: <https://biology-forums.com/index.php?topic=573801>

Question 1671

The diamond of national advantage would be best used to answer which of the following questions?

- A) How do developed countries prevent the trade of blood diamonds?
- B) How can developing countries create a significant trade surplus?
- C) Why do specialized competitive advantages differ among countries?
- D) Why do most innovative products originate in developed countries?

Answer: <https://biology-forums.com/index.php?topic=572865>

Question 1672

Which accounting systems are shaped more by government practice?

- A) macro-uniform accounting systems
- B) micro-based systems
- C) pragmatic business practice systems
- D) business economic theory systems

Answer: <https://biology-forums.com/index.php?topic=574311>

Question 1673

Which of the following is NOT true about cultural diversity?

- A) Companies may gain competitive advantages by bringing together people of diverse backgrounds.
- B) Cultural diversity is most successful when domestic and foreign firms establish joint ventures.
- C) Cultural diversity may help a company gain deeper knowledge about products and services.
- D) The process of bringing people of different national cultures together is often difficult.

Answer: <https://biology-forums.com/index.php?topic=572524>

Question 1674

When selling a commodity for which there is little possibility of product differentiation, a company would likely use which of the following orientations internationally?

- A) customer orientation
- B) production orientation
- C) sales orientation
- D) strategic marketing orientation

Answer: <https://biology-forums.com/index.php?topic=574083>

Question 1675

Larson Shoes is a British company. Which balance sheet format is most likely used by Larson?

- A) assets + liabilities = shareholders' equity
- B) liabilities + shareholders' equity = assets
- C) noncurrent assets + current assets - current liabilities - noncurrent liabilities = shareholders' equity
- D) noncurrent assets - net current assets = liabilities + capital and reserves

Answer: <https://biology-forums.com/index.php?topic=574298>

Question 1676

Which of the following is a problem with the infant-industry argument for protection?

- A) Most developed countries increasingly have a larger portion of retirees than youth.
- B) Consumer groups become very active in protesting the higher prices that result during infancy.
- C) Other countries retaliate by limiting exports of technology needed by the infant industry producers.
- D) If the industry does not lower costs sufficiently to be competitive, it becomes a formidable pressure group for continued protection.

Answer: <https://biology-forums.com/index.php?topic=572943>

Question 1677

The relationship between the value of the Brazilian and Chinese currencies is known as the _____.

- A) stock price
- B) exchange rate
- C) foreign-exchange market
- D) purchasing power parity

Answer: <https://biology-forums.com/index.php?topic=573156>

Question 1678

A geocentric staffing policy is one in which all key management positions throughout the company's global operations are filled by host-country nationals.

Answer: <https://biology-forums.com/index.php?topic=574468>

Question 1679

The political system of a country refers to the laws that regulate actions, along with the processes by which those laws are enforced and by which redress for grievances is acquired.

Answer: <https://biology-forums.com/index.php?topic=572705>

Question 1680

Which of the following is NOT a major reason that companies adopt IT systems?

- A) maintaining effective arms' length relationships with customers
- B) producing high-quality products quickly and efficiently
- C) communicating effectively with suppliers
- D) managing inventory levels proficiently

Answer: <https://biology-forums.com/index.php?topic=574216>

Question 1681

The calculation of GNI per capita takes into account the differences in the cost of living from one country to another.

Answer: <https://biology-forums.com/index.php?topic=572791>

Question 1682

According to Adam Smith's theory of absolute advantage, specialization allows countries to increase their efficiency for each of the following reasons EXCEPT _____.

- A) labor could become more skilled by repeating the same tasks
- B) transportation costs could be lowered by producing closer to markets
- C) labor would not lose time in switching from the production of one kind of product to another
- D) higher production would provide incentives for the development of more effective working methods

Answer: <https://biology-forums.com/index.php?topic=572835>

Question 1683

Ferguson Manufacturing, an American MNE, has facilities in India and Mexico. Ferguson fills management positions at the facility in India with Indians and management positions in Mexico with Mexicans. Ferguson most likely follows a(n) _____ approach to staffing.

- A) ethnocentric
- B) geocentric
- C) polycentric
- D) intercentric

Answer: <https://biology-forums.com/index.php?topic=574417>

Question 1684

Vantex Fabrics is a U.S. firm that designs, manufactures, and sells high-quality fabrics used for home decor. Executives at the firm believe that Vantex could significantly increase its profitability by exporting fabrics to foreign markets. The vice president of marketing is in favor of exporting to England, while the vice president of finance asserts that the firm would benefit most from exporting to China. Which of the following, if true, best supports the vice president of marketing's suggestion?

- A) Incremental internalization reduces the exporting risks facing Vantex.
- B) Rapid internationalization decreases the likelihood of failure for Vantex.
- C) Vantex plans to diversify its product offerings within the next ten years.
- D) Vantex employs 450 people and will likely develop worldwide operations within 12 months.

Answer: <https://biology-forums.com/index.php?topic=573795>

Question 1685

Most counterfeit goods are made in markets in which _____ is the basis of the legal system.

- A) the rule of man
- B) the rule of law
- C) religious doctrine
- D) corporate precedent

Answer: <https://biology-forums.com/index.php?topic=572678>

Question 1686

Which term refers to how companies value assets such as inventory?

- A) measurement
- B) conservatism
- C) disclosure
- D) optimism

Answer: <https://biology-forums.com/index.php?topic=574301>

Question 1687

What are the advantages and disadvantages of using a nation as a point of reference for a culture?

Answer: <https://biology-forums.com/index.php?topic=572618>

Question 1688

Which of the following statements is most likely true regarding vertical differentiation?

- A) MNEs with decentralized structures are more appealing to foreign workers.
- B) Most MNEs balance authority between headquarters and subsidiaries because of globality.
- C) MNEs with many organizational levels are less likely to perform well in emerging markets.

D) Most MNEs implement centralized authority structures due to the complexity of globalization.

Answer: <https://biology-forums.com/index.php?topic=573989>

Question 1689

Governments that conduct takeovers of foreign companies rarely make formal declarations of their intent to take over in advance of the action.

Answer: <https://biology-forums.com/index.php?topic=573743>

Question 1690

Which of the following best explains why the experience of countries such as Taiwan and South Korea are used to support export-led development policies?

- A) their low inflation
- B) their increased FDI
- C) their industry diversity
- D) their rapid economic growth

Answer: <https://biology-forums.com/index.php?topic=572950>

Question 1691

Coca-Cola collaborates extensively abroad, but it refuses collaboration that might imperil control of its core competency. As a result, which of the following is NOT one of its international collaborative forms?

- A) sharing ownership in the production of its secret formula concentrate
- B) using franchisers to bottle, sell, and deliver Coke beverages
- C) licensing Coke's trademark for use on products in which it lacks skills
- D) forming joint ventures with companies that provide supplies for Coke products

Answer: <https://biology-forums.com/index.php?topic=573878>

Question 1692

Improving explanatory power of the IO paradigm can be done by considering the potential for _____ to lead to a company's sustained competitive advantage.

- A) bright, motivated managers
- B) political trends and events
- C) cultural institutions
- D) new markets

Answer: <https://biology-forums.com/index.php?topic=573574>

Question 1693

What is coordination? Describe the factors that influence value chain coordination.

Answer: <https://biology-forums.com/index.php?topic=573669>

Question 1694

According to research, expatriates posted to _____ encounter the greatest difficulty in finding accommodations, locating health care, and setting up finances.

- A) Australia
- B) Saudi Arabia
- C) Thailand
- D) South Africa

Answer: <https://biology-forums.com/index.php?topic=574438>

Question 1695

Managers should be more precise in their directions to subordinates when _____.

- A) the company has a philosophy of geocentrism
- B) the society believes age equals wisdom
- C) uncertainty avoidance is high
- D) power distance is low

Answer: <https://biology-forums.com/index.php?topic=572555>

Question 1696

The U.S. automobile industry has attempted to counter import competition in all the following ways EXCEPT _____.

- A) concentrating on market niches that initially had less import competition
- B) lobbying for customs deposits so that importers' costs would be raised

C) moving some production to lower-cost countries and exporting to the United States

D) effecting internal adjustments, such as cost efficiencies and improved quality

Answer: <https://biology-forums.com/index.php?topic=572983>

Question 1697

_____ is a general, sustained rise in prices measured against a standard level of purchasing power.

A) Deflation

B) Inflation

C) Expansion

D) Reflation

Answer: <https://biology-forums.com/index.php?topic=572759>

Question 1698

In a production orientation, a company focuses on efficiency and product quality when selling abroad.

Answer: <https://biology-forums.com/index.php?topic=574155>

Question 1699

The Third Wave of Democratization was partially triggered by improved communication systems.

Answer: <https://biology-forums.com/index.php?topic=572697>

Question 1700

Which of the following is NOT one of the main priorities for most corporate universities?

A) complying with labor regulations in local markets

B) facilitating strategic understanding among executives

C) strengthening employee commitment to organization goals

D) improving the influence of the organization's culture

Answer: <https://biology-forums.com/index.php?topic=574037>

Question 1701

_____ refers to a political system in which government is organized by and accountable to the people.

A) Totalitarianism

B) Fascism

C) Socialism

D) Democracy

Answer: <https://biology-forums.com/index.php?topic=572641>

Question 1702

Of the following possibilities, the European Union is best described as a _____.

A) customs union

B) domestic organization

C) global bargaining unit

D) common language agreement

Answer: <https://biology-forums.com/index.php?topic=573051>

Question 1703

In a multiple exchange-rate system, the government determines which kinds of transactions are to be conducted at which exchange rate.

Answer: <https://biology-forums.com/index.php?topic=573323>

Question 1704

Evaluating the importance of potential clients or partners by the way they dress is an example of using _____.

A) pragmatism

B) silent language

C) polychronism

D) fatalism

Answer: <https://biology-forums.com/index.php?topic=572566>

Question 1705

In a global supply chain, suppliers must be part of the manufacturer's organizational structure.

Answer: <https://biology-forums.com/index.php?topic=574253>

Question 1706

A(n) _____ is a large, liquid financial asset that can be traded anywhere at any time.

- A) international stock
- B) global bond
- C) global equity
- D) Eurodollar

Answer: <https://biology-forums.com/index.php?topic=573383>

Question 1707

Are commodity agreements effective? Why or why not?

Answer: <https://biology-forums.com/index.php?topic=573133>

Question 1708

Most MNEs generate a majority of their revenues in their home regions.

Answer: <https://biology-forums.com/index.php?topic=573098>

Question 1709

Passive exports involve the filling of unsolicited orders from abroad.

Answer: <https://biology-forums.com/index.php?topic=574156>

Question 1710

Similarity among people is both a cause and effect of national boundaries.

Answer: <https://biology-forums.com/index.php?topic=572592>

Question 1711

It is important when setting up a collaborative arrangement to agree on mutual goals and expectations.

Answer: <https://biology-forums.com/index.php?topic=573966>

Question 1712

Jordan Jewelry is a U.S. firm that designs, manufactures, and sells inexpensive jewelry and accessories. Executives at the firm believe that Jordan Jewelry could significantly increase its profitability by exporting products to foreign markets. Before engaging in international trade, Jordan executives need to develop an export plan. Which of the following questions is LEAST relevant to this activity?

- A) Would Jordan's resources be better utilized developing business in the United States?
- B) How much will it cost to get Jordan's products to the targeted markets?
- C) What marketing campaign would be best for Jordan's foreign markets?
- D) Is exporting consistent with Jordan's long-term goals?

Answer: <https://biology-forums.com/index.php?topic=573828>

Question 1713

Carnival Cruise Lines lowers its taxes by all of the following EXCEPT _____.

- A) hiring host-country nationals who pay no taxes
- B) taking advantage of taxation laws in foreign countries
- C) sailing in international waters outside countries' tax jurisdiction
- D) paying substantial port fees instead of taxes during stopovers

Answer: <https://biology-forums.com/index.php?topic=572481>

Question 1714

A tax credit is a credit on goods and services paid by one member of a corporate family to another.

Answer: <https://biology-forums.com/index.php?topic=573454>

Question 1715

Ampco Industries has a production facility in an area of India in which roads are poorly maintained and dangerous. What part of Ampco's marketing mix do these conditions most likely affect?

- A) distribution
- B) branding
- C) product standardization
- D) promotion

Answer: <https://biology-forums.com/index.php?topic=574140>

Question 1716

Pressures for local responsiveness include cross-national differences in terms of consumer preferences, advances in technology, and government regulations.

Answer: <https://biology-forums.com/index.php?topic=573653>

Question 1717

Globalization refers to all economic transactions among countries.

Answer: <https://biology-forums.com/index.php?topic=572483>

Question 1718

Unemployed workers are most apt to form a pressure group to support _____.

- A) export restrictions
- B) import restrictions
- C) price limitations
- D) import subsidies

Answer: <https://biology-forums.com/index.php?topic=572936>

Question 1719

What is an international joint venture?

- A) an international agreement between two or more companies to have access to each other's patents
- B) the ownership of a company by two or more companies, of which at least one is a foreign company where the venture is located
- C) an international agreement between two or more firms for the use of a trademark
- D) an agreement between two or more organizations to share management expertise

Answer: <https://biology-forums.com/index.php?topic=573920>

Question 1720

A _____ results when free mobility of factors of production is added to a customs union.

- A) customs union
- B) common market
- C) free trade agreement
- D) regional trade agreement

Answer: <https://biology-forums.com/index.php?topic=573052>

Question 1721

Billions of investment dollars are needed to develop many new products. This trend toward higher development costs is likely to have which of the following effects on future modes of operations?

- A) Collaborative arrangements are likely to decrease because a company making a breakthrough will be leery of partners' appropriation of knowledge.
- B) Collaborative arrangements are likely to increase because of the huge investments needed for development.
- C) Exporting will become more important relative to other operating modes because of the large scale production facilities necessary for economic efficiency.
- D) Cross-licensing will gain in importance because companies will be forced to specialize more in different technologies.

Answer: <https://biology-forums.com/index.php?topic=573934>

Question 1722

In a country with a high masculinity score, people have a tendency to feel sympathy towards individuals who are unemployed or homeless.

Answer: <https://biology-forums.com/index.php?topic=572602>

Question 1723

In order to join the IMF, a country must contribute a certain sum of money, called a _____.

- A) special drawing right
- B) trade balance
- C) monetary reserve
- D) quota

Answer: <https://biology-forums.com/index.php?topic=573252>

Question 1724

How might centralization of decision making adversely affect local managers in an MNE?

Answer: <https://biology-forums.com/index.php?topic=574068>

Question 1725

According to the optimum tariff theory, a foreign producer will most likely _____.

- A) ship highly taxed goods internationally on a per-unit basis
- B) lower its export prices if the importing country imposes an import tax on its products
- C) assess a tax on goods shipped internationally based on a percentage of the goods' value
- D) seek import tariffs by using the comparable access argument

Answer: <https://biology-forums.com/index.php?topic=572963>

Question 1726

The IMF uses the quota system to determine how much a country may borrow from the Fund.

Answer: <https://biology-forums.com/index.php?topic=573338>

Question 1727

The long-term financing dimension of cash management deals with the selection, issuance, and management of long-term debt and equity.

Answer: <https://biology-forums.com/index.php?topic=573428>

Question 1728

Functional structures for international operations are most likely found among those companies that _____.

- A) have a narrow range of products that rely on economies of scale
- B) have multiple products that share few common technologies
- C) rely on differentiated marketing methods
- D) compete in unstable industries

Answer: <https://biology-forums.com/index.php?topic=573995>

Question 1729

The three major responsibilities of the _____ are legislative power, control over the budget, and supervision of executive decisions.

- A) European Commission
- B) European Council
- C) European Parliament
- D) European Court of Justice

Answer: <https://biology-forums.com/index.php?topic=573063>

Question 1730

Horizontal differentiation is concerned with how the managers of a firm decide to divide the company into discrete subunits.

Answer: <https://biology-forums.com/index.php?topic=574043>

Question 1731

Which of the following is the price at which the trader is willing to sell foreign currency?

- A) offer
- B) bid
- C) spread
- D) cross rate

Answer: <https://biology-forums.com/index.php?topic=573176>

Question 1732

In a totalitarian political system, _____.

- A) political power resides with the citizens of the country
- B) governments direct most economic activity but few social ones
- C) an individualistic outlook shapes political debate and policy formation
- D) one agent monopolizes political power

Answer: <https://biology-forums.com/index.php?topic=572643>

Question 1733

The headquarters-based compensation method bases the expatriate's compensation on the salary of a comparable job in the city where the MNE has its headquarters.

Answer: <https://biology-forums.com/index.php?topic=574477>

Question 1734

The major use of the matrix as a tool in international location strategy is to _____.

- A) pinpoint acceptable and unacceptable characteristics of countries
- B) indicate the relative placement of countries in terms of attributes
- C) rank countries on the basis of expected investment return
- D) show the degree of certainty for projected returns

Answer: <https://biology-forums.com/index.php?topic=573715>

Question 1735

The character of a company's corporate culture is a product of the core values and business principles that management advocates, as well as the behaviors that define "how we do things around here."

Answer: <https://biology-forums.com/index.php?topic=574063>

Question 1736

If a U.S.-based MNE translates its German subsidiary's financial statements from euros into dollars using the current-rate method, how would it recognize translation gains and losses?

- A) Gains and losses would be taken to the income statement.
- B) Gains and losses would be recognized on the balance sheet in owners' equity.
- C) Gains and losses are not recognized since the financial statements are in dollars.
- D) There are transaction gains and losses but not translation gains and losses.

Answer: <https://biology-forums.com/index.php?topic=574332>

Question 1737

Outright forward transactions involve the exchange of currency the second day after the date on which the two foreign-exchange traders agree to the transaction.

Answer: <https://biology-forums.com/index.php?topic=573214>

Question 1738

The three levels of quality standards are general, international, and industry-specific.

Answer: <https://biology-forums.com/index.php?topic=574268>

Question 1739

What is the main information-related challenge in global supply chain management?

- A) The Internet is growing too quickly in emerging markets.
- B) Few countries are technologically advanced.
- C) The industrial equipment and food/agriculture industries use e-commerce more than industries such as defense and motor vehicles.
- D) Many emerging market networks cannot be managed through the Internet because of the lack of technology.

Answer: <https://biology-forums.com/index.php?topic=574222>

Question 1740

When a company does business in another country whose official language is the same as the company's home country, employees can assume that although some spellings are different that words will mean the same thing.

Answer: <https://biology-forums.com/index.php?topic=572610>

Question 1741

The production of goods by a French company in Italy for sale in Italy is an example of an Italian merchandise import.

Answer: <https://biology-forums.com/index.php?topic=572504>

Question 1742

A strategy that focuses on lowering operating costs is referred to as a _____ strategy.

- A) differentiation
- B) cost leadership
- C) niche market
- D) diversification

Answer: <https://biology-forums.com/index.php?topic=573588>

Question 1743

Carrefour has been more successful than Walmart in Europe, whereas Walmart has been more successful than Carrefour in the United States. What is the most likely reason for these results?

- A) first-mover advantages
- B) nationalistic preferences of consumers
- C) lack of knowing how to adapt products
- D) increased exporting fees and transportation costs

Answer: <https://biology-forums.com/index.php?topic=573732>

Question 1744

A company that employs a _____ strategy creates value by generating customer insights and translating those insights into innovations.

- A) differentiation
- B) diversification
- C) cost leadership
- D) innovation

Answer: <https://biology-forums.com/index.php?topic=573591>

Question 1745

Why is countertrade considered inefficient?

Answer: <https://biology-forums.com/index.php?topic=573875>

Question 1746

Uneven income distribution _____.

- A) exists in almost every country
- B) is largely a problem for poorer nations
- C) primarily affects people in urban settings
- D) is limited to a small share of the world population

Answer: <https://biology-forums.com/index.php?topic=572768>

Question 1747

Companies can anticipate conducting countertrade with businesses in countries that _____.

- A) experience widespread economic problems
- B) command strong negotiation positions
- C) have sufficient access to cash
- D) weakly regulate international trade

Answer: <https://biology-forums.com/index.php?topic=573832>

Question 1748

HRM refers to the range of activities that a company, whether solely domestic or thoroughly global, undertakes to _____.

- A) direct its strategy
- B) staff its operations
- C) improve its responsiveness
- D) integrate business functions

Answer: <https://biology-forums.com/index.php?topic=574394>

Question 1749

A(n) _____ is the right but not the obligation to buy or sell a foreign currency within a certain time period or on a specific date at a specific exchange rate.

- A) forward rate
- B) bid
- C) offer
- D) option

Answer: <https://biology-forums.com/index.php?topic=573183>

Question 1750

A global strategy tends to be more successful when _____.

- A) buyers are looking for customized products at bargain prices
- B) the industry's product is a commodity
- C) entry barriers are low for new firms
- D) suppliers have little bargaining power

Answer: <https://biology-forums.com/index.php?topic=573628>

Question 1751

Monique has recently been hired as an accounts supervisor at Ballston Enterprises. She wants to understand Ballston's values and its expectations for employee behavior. Which of the following would most likely provide Monique with this information?

- A) mission statement
- B) code of conduct
- C) vision statement
- D) employee contract

Answer: <https://biology-forums.com/index.php?topic=573473>

Question 1752

The more a company engages in collaborative agreements, the more it loses control over decisions and their implementation.

Answer: <https://biology-forums.com/index.php?topic=573945>

Question 1753

Although the broadening of product lines increases distribution efficiencies, too broad a line can create problems in selling.

Answer: <https://biology-forums.com/index.php?topic=574164>

Question 1754

Chrysler granted South East Motor (a company in China) rights to produce its Grand Voyager minivan for sale in China in exchange for a fee. This is an example of a(n) _____.

- A) licensing agreement
- B) bargaining school arrangement
- C) technology appropriation
- D) turnkey operation

Answer: <https://biology-forums.com/index.php?topic=573901>

Question 1755

The accounting value that relates to issues such as how to present financial information and discuss financial results is known as _____.

- A) measurement
- B) conservatism
- C) disclosure
- D) optimism

Answer: <https://biology-forums.com/index.php?topic=574300>

Question 1756

The most common approach to translate budgets and compare a budget with actual performance uses the _____.

- A) spot rate
- B) forecast rate
- C) historical exchange rate
- D) temporal exchange rate

Answer: <https://biology-forums.com/index.php?topic=574340>

Question 1757

Traditionally, expatriates were _____; today, HRM increasingly considers _____.

- A) men; women
- B) women; men
- C) midlevel and midcareer executives; older employees and younger employees
- D) older employees and younger employees; midlevel and midcareer executives

Answer: <https://biology-forums.com/index.php?topic=574406>

Question 1758

What is the difference between a monochronic and polychronic culture? How do such cultural differences affect business practices for international firms?

Answer: <https://biology-forums.com/index.php?topic=572623>

Question 1759

Multilateral development banks encourage development in risky environments through financial incentives.

Answer: <https://biology-forums.com/index.php?topic=572704>

Question 1760

What are the differences between merchandise and service imports and exports? Provide examples to illustrate your answer.

Answer: <https://biology-forums.com/index.php?topic=572518>

Question 1761

German companies like Deutsche Bank and Daimler Chrysler have been relatively optimistic and transparent in their financial reporting compared with many Germanic companies because _____.

- A) German accounting standards have always been optimistic and transparent
- B) they adopted U.S. Generally Accepted Accounting Standards
- C) they do not have to adopt International Accounting Standards
- D) most of their revenues are from the United States and United Kingdom

Answer: <https://biology-forums.com/index.php?topic=574308>

Question 1762

All the following are reasons for the lower international mobility of people than capital EXCEPT which one?

- A) The differences in economic return between countries are lower for people than for capital.
- B) It is more expensive to move people than capital.
- C) People may have to learn another language and adapt to a different culture.
- D) International capital transfers have less cumbersome legal restrictions than international movements of people.

Answer: <https://biology-forums.com/index.php?topic=572873>

Question 1763

Which of the following UNDESIRABLE results will most likely occur for a country running a favorable balance of trade?

- A) higher unemployment
- B) higher domestic interest rates
- C) fewer funds to invest abroad
- D) granting credit that may be risky

Answer: <https://biology-forums.com/index.php?topic=572833>

Question 1764

Gap analysis refers to an estimation of sales potential caused by the disparity in incomes between developed and developing countries.

Answer: <https://biology-forums.com/index.php?topic=574180>

Question 1765

Research has shown that past exchange rates are an accurate predictor of future exchange rates _____.

- A) only in the long run
- B) only in the very short run
- C) only during times of economic crisis
- D) only during times of economic calm

Answer: <https://biology-forums.com/index.php?topic=573295>

Question 1766

What is the Bank for International Settlements? What three categories does the BIS designate in the foreign-exchange market? Briefly describe each category.

Answer: <https://biology-forums.com/index.php?topic=573248>

Question 1767

All countries face the questions of what, how much, and with whom they should import and export. How they answer these questions primarily affects whether _____.

- A) nontradable goods become tradable
- B) products go through a lengthy life cycle
- C) companies adhere to laissez-faire export policies
- D) a company's present production location will be competitive

Answer: <https://biology-forums.com/index.php?topic=572830>

Question 1768

The U.S. dollar is widely traded because it is a transaction currency in many international commodity markets.

Answer: <https://biology-forums.com/index.php?topic=573237>

Question 1769

Whereas executives specify roles and relationships in a functional structure in terms of _____, they use the divisional structure format to specify them according to _____.

- A) inputs; outputs
- B) buyers; suppliers
- C) markets; countries
- D) politics; economics

Answer: <https://biology-forums.com/index.php?topic=573996>

Question 1770

Which of the following is most likely a basis for a Jamaican natural advantage in international trade?

- A) product technology developed by a Jamaican company
- B) high literacy rates among Jamaican citizens
- C) the use of English as the primary language
- D) beautiful beaches and climate

Answer: <https://biology-forums.com/index.php?topic=572836>

Question 1771

In a concentration strategy for international expansion, a company goes first to one or a few countries and builds up fast there before going to other countries.

Answer: <https://biology-forums.com/index.php?topic=573755>

Question 1772

When comparing economic and demographic variables among countries, one should consider that consumers in developing countries do not necessarily follow the same historical patterns as those in more developed countries.

Answer: <https://biology-forums.com/index.php?topic=573740>

Question 1773

In most cases, governments _____ in order to regulate inflation.

- A) lower interest rates
- B) increase taxes
- C) raise interest rates
- D) decrease taxes

Answer: <https://biology-forums.com/index.php?topic=572762>

Question 1774

Which type of exchange rate arrangement is based on supply and demand?

- A) soft peg
- B) hard peg
- C) crawling
- D) floating

Answer: <https://biology-forums.com/index.php?topic=573259>

Question 1775

Where future orientation is high, people are more willing to delay gratification by investing.

Answer: <https://biology-forums.com/index.php?topic=572606>

Question 1776

In the context of manufacturing strategy, the degree of consistency between the foreign investment decision and the company's competitive strategy is known as _____.

- A) compatibility
- B) coordination
- C) control
- D) configuration

Answer: <https://biology-forums.com/index.php?topic=574200>

Question 1777

Which of the following was primarily responsible for establishing the euro?

- A) Lisbon Treaty
- B) Treaty of Maastricht
- C) European Finance Act
- D) Single European Act

Answer: <https://biology-forums.com/index.php?topic=573066>

Question 1778

In which of the following situations would a company most likely benefit from using the international division structure?

- A) when the company's different foreign markets pose significantly different opportunities and threats
- B) when the company relies on local managers in foreign operations to make strategic decisions
- C) when the company's domestic market activity is much more important than its international business activity
- D) when the company's domestic business activity has reached its full market potential

Answer: <https://biology-forums.com/index.php?topic=573998>

Question 1779

Defense arguments are sometimes used to prevent exports to unfriendly countries. This runs the risk of the targeted country _____.

- A) becoming politically destabilized
- B) removing import restrictions
- C) finding alternative sources of supply
- D) banding with other countries to form a cartel

Answer: <https://biology-forums.com/index.php?topic=572966>

Question 1780

A company with limited resources is more likely to achieve national distribution within a small country than within a large country.

Answer: <https://biology-forums.com/index.php?topic=572511>

Question 1781

_____ involve the exchange of currency the second day after the date on which the two foreign-exchange traders agree to the transaction.

- A) Spot transactions
- B) Outright forward transactions
- C) FX swaps
- D) Reverse transactions

Answer: <https://biology-forums.com/index.php?topic=573162>

Question 1782

Fundamentally, the task of HRM is putting the right person into the right job in the right place at the right time for the right salary.

Answer: <https://biology-forums.com/index.php?topic=574453>

Question 1783

People generally prefer little consultation between superiors and subordinates in cultures where _____ is high.

- A) power distance
- B) fatalism
- C) individualism
- D) self-actualization

Answer: <https://biology-forums.com/index.php?topic=572551>

Question 1784

Innovation is the ability of the production process to make different kinds of products and to adjust the volume of output.

Answer: <https://biology-forums.com/index.php?topic=574258>

Question 1785

Home-country nationals are _____.

- A) used a great deal abroad by polycentric companies
- B) citizens of the countries in which they are working
- C) citizens of the country where the company is headquartered
- D) noncitizens of the countries in which they are working

Answer: <https://biology-forums.com/index.php?topic=574401>

Question 1786

Which of the following statements is most likely true about secrecy and transparency in accounting?

- A) Japanese firms are usually as transparent as U.S. firms.
- B) German companies tend to be less transparent than British companies.
- C) Secrecy and transparency refer to the degree of caution companies display in valuing assets.
- D) Companies that list on stock exchanges are highly transparent because of stockholder audits.

Answer: <https://biology-forums.com/index.php?topic=574306>

Question 1787

The best way of conducting business domestically is also typically the best way to conduct business internationally.

Answer: <https://biology-forums.com/index.php?topic=572486>

Question 1788

The interbank market in foreign exchange is where _____.

- A) electronic brokerage systems are required
- B) banks trade currency with each other
- C) reporting dealers set exchange terms
- D) remittance payments are made

Answer: <https://biology-forums.com/index.php?topic=573160>

Question 1789

The purchasing power parity theory claims that a change in relative _____ between two countries must cause a change in _____ in order to keep the prices of goods in two countries fairly similar.

- A) exchange rates; inflation
- B) inflation; exchange rates
- C) interest rates; inflation
- D) interest rates; exchange rates

Answer: <https://biology-forums.com/index.php?topic=573281>

Question 1790

The terms multinational corporation and multinational company are frequently used synonyms for strategic alliances.

Answer: <https://biology-forums.com/index.php?topic=572508>

Question 1791

Gap analysis may show that the combined market potential among several countries may justify product development costs.

Answer: <https://biology-forums.com/index.php?topic=574181>

Question 1792

Which of the following is NOT one of the top four locations for trading foreign exchange?

- A) London
- B) New York
- C) Tokyo
- D) Hong Kong

Answer: <https://biology-forums.com/index.php?topic=573174>

Question 1793

External debt results when the government spends more than it collects in revenues, whereas internal debt results when a government borrows money from foreign lenders.

Answer: <https://biology-forums.com/index.php?topic=572797>

Question 1794

When a company successfully responds to foreign production and market opportunities, _____.

- A) other companies will likely emulate its successful practices
- B) it likely has a long-term advantage over competitors
- C) it will downsize its domestic operations
- D) its home government likely raises taxes on the company

Answer: <https://biology-forums.com/index.php?topic=572443>

Question 1795

What are the characteristics of the forward market? Why do companies participate in the forward market? Provide an example to illustrate your

answer.

Answer: <https://biology-forums.com/index.php?topic=573242>

Question 1796

Although there are different views about the purpose of a political system, most analysts agree that an essential task of a political system is to _____.

- A) integrate the different elements of a society into a functioning unit
- B) allocate scarce resources among competing users
- C) develop reasonable attitudes and outlooks within the population
- D) protect individuals within the country from foreign threats

Answer: <https://biology-forums.com/index.php?topic=572636>

Question 1797

Politics, law, culture, and economy are all examples of _____ factors that can affect the ways in which companies produce and sell their products in foreign markets.

- A) social
- B) physical
- C) competitive
- D) political

Answer: <https://biology-forums.com/index.php?topic=572468>

Question 1798

In the foreign-exchange market, the bid is the rate at which _____.

- A) the trader is willing to sell foreign exchange
- B) the buyer is willing to swap foreign exchange
- C) the trader is willing to buy foreign exchange
- D) the trader earns a profit

Answer: <https://biology-forums.com/index.php?topic=573178>

Question 1799

What is the primary concern about offshore financial centers?

- A) engaging in illegal activities
- B) enabling firms to avoid taxation
- C) allowing the transfer of large funds
- D) existing in politically risky environments

Answer: <https://biology-forums.com/index.php?topic=573410>

Question 1800

Good scanning helps managers avoid the need to make a detailed analysis of countries when deciding where to operate.

Answer: <https://biology-forums.com/index.php?topic=573738>

Question 1801

If the euro continues to remain strong against the U.S. dollar, which of the following strategies would make the most sense for BMW?

- A) It might be advantageous for them to consider exporting from Germany to the U.S. to take advantage of cheaper costs.
- B) It might increase its manufacturing capacity in the United States to take advantage of the cheaper dollar.
- C) It might consider raising prices in the United States to earn more profits for BMW.
- D) It really doesn't make any difference to BMW since consumers will buy the cars no matter what they cost.

Answer: <https://biology-forums.com/index.php?topic=573306>

Question 1802

An exporter that implements a(n) _____ strategy does so with the intent to develop its own international marketing capability.

- A) indirect selling
- B) freight forwarding
- C) direct exporting
- D) export intermediation

Answer: <https://biology-forums.com/index.php?topic=573821>

Question 1803

A licensing agreement is a contract for the granting of rights on tangible property.

Answer: <https://biology-forums.com/index.php?topic=573948>

Question 1804

The government considers itself a better judge of resource allocation than businesses or citizens in a market economy.

Answer: <https://biology-forums.com/index.php?topic=572807>

Question 1805

Forecasters must predict the magnitude, direction, and _____ of an exchange rate change or movement.

- A) length
- B) timing
- C) altitude
- D) depth

Answer: <https://biology-forums.com/index.php?topic=573296>

Question 1806

Executives at Wilson Enterprises need to determine how to leverage and improve the firm's existing competencies on a global basis. What are the two most basic questions that they must answer?

- A) Which markets should we serve and where should production be located to serve those markets?
- B) What are the short-term competitive advantages of the project and what is the return on investment?
- C) What is the total investment required and what are the managerial resources needed to supervise the investment?
- D) What is the availability of land and what is the cost of labor?

Answer: <https://biology-forums.com/index.php?topic=573678>

Question 1807

A company may use outsourcing as an implied threat to underperforming employees.

Answer: <https://biology-forums.com/index.php?topic=574276>

Question 1808

A hardship allowance nullifies the risk that an expatriate will suffer a decline in his or her standard of living due to the exorbitant expense of a particular city.

Answer: <https://biology-forums.com/index.php?topic=574504>

Question 1809

U.S.-based MNEs are not permitted to set budgets and monitor results using the same exchange rate.

Answer: <https://biology-forums.com/index.php?topic=574372>

Question 1810

Profile the causes and likely benefits that prompt companies to consider adopting a neoclassical structure.

Answer: <https://biology-forums.com/index.php?topic=574071>

Question 1811

In addition to protection, tariffs serve to _____.

- A) generate revenue
- B) subsidize exports
- C) subsidize imports
- D) increase consumption

Answer: <https://biology-forums.com/index.php?topic=572970>

Question 1812

Managers who are knowledgeable about _____ are better able to identify the location, quantity, quality, and availability of the world's natural resources.

- A) political factors
- B) geographic factors
- C) competitive factors
- D) cultural factors

Answer: <https://biology-forums.com/index.php?topic=572469>

Question 1813

The term used by the United Nations as a synonym for multinational enterprise is _____.

- A) multinational corporation
- B) transnational company
- C) international firm
- D) born-global

Answer: <https://biology-forums.com/index.php?topic=572467>

Question 1814

People who argue for lifting the U.S. trade embargo with Cuba claim all of the following EXCEPT which one?

- A) The embargo has not achieved its purpose of changing Cuba's economic and political system.
- B) U.S. companies lose Cuban sales to competitors from other countries.
- C) Increased exposure to the United States would be a more effective force of change.
- D) Cuba has largely become a market economy already.

Answer: <https://biology-forums.com/index.php?topic=572989>

Question 1815

When customs officials set a value on which to place an import tariff, they ordinarily use the declared invoice price unless they doubt its authenticity.

Answer: <https://biology-forums.com/index.php?topic=573014>

Question 1816

Governments sometimes prohibit foreign acquisitions because they fear market dominance by foreign enterprises.

Answer: <https://biology-forums.com/index.php?topic=573941>

Question 1817

Country X wants to eliminate its balance of trade deficit while simultaneously keeping prices low for imported essentials. Which of the following methods would most likely achieve these dual objectives?

- A) devaluing its currency
- B) enacting selective import restrictions
- C) using tight monetary policies to deflate price levels
- D) spurring productivity increases through general tax breaks for industry

Answer: <https://biology-forums.com/index.php?topic=572954>

Question 1818

Opal Computers is considering international production expansion. After scanning to decide on a few countries to consider more closely, Opal managers will most likely need to _____.

- A) identify firms with which to form joint ventures
- B) add some more countries for closer consideration
- C) travel to the locations to analyze and collect specific data
- D) make final decisions by expanding in locations near their rivals

Answer: <https://biology-forums.com/index.php?topic=573682>

Question 1819

When divergent cultures come in contact, _____ occurs.

- A) power distance
- B) culture shock
- C) cultural collision
- D) group membership

Answer: <https://biology-forums.com/index.php?topic=572526>

Question 1820

The typical tax-haven subsidiary owns the common stock of its related operating foreign subsidiaries.

Answer: <https://biology-forums.com/index.php?topic=573448>

Question 1821

The so-called "misery index" is the sum of a country's inflation and unemployment rates.

Answer: <https://biology-forums.com/index.php?topic=572796>

Question 1822

When using equity financing, firms run the risk of _____.

- A) losing a controlling interest to shareholders
- B) acquiring capital through the sale of shares
- C) incurring an unmanageable amount of debt
- D) falling victim to currency exchange rates

Answer: <https://biology-forums.com/index.php?topic=573369>

Question 1823

The top location for trading foreign exchange is _____.

- A) London
- B) New York
- C) Zurich
- D) Tokyo

Answer: <https://biology-forums.com/index.php?topic=573173>

Question 1824

The strategy of a firm using an international strategy is likely to entail producing and marketing mostly standardized products worldwide, with some customization where and when necessary.

Answer: <https://biology-forums.com/index.php?topic=573656>

Question 1825

Historically, the geographic division structure is associated with companies pursuing _____ strategies.

- A) multidomestic
- B) transnational
- C) global
- D) international

Answer: <https://biology-forums.com/index.php?topic=574003>

Question 1826

Companies are more likely to gain advantages by locating near competitors for all the following reasons EXCEPT to _____.

- A) take advantage of competitors' research to pick an ideal location
- B) attract multiple suppliers and personnel with specialized skills
- C) agree with competitors on production limitations
- D) attract buyers who want to compare suppliers

Answer: <https://biology-forums.com/index.php?topic=573703>

Question 1827

Which of the following statements is most likely true about the postconventional level of moral development?

- A) Individuals learn what is moral but not why such behavior is moral.
- B) Individuals behave morally because they fear negative repercussions.
- C) Individuals learn how to conform to society's values through observation.
- D) Individuals behave morally because they believe such actions are right.

Answer: <https://biology-forums.com/index.php?topic=573476>

Question 1828

What are the four main ways that financial statements differ from country to country? What role has the IASB played in establishing global accounting standards?

Answer: <https://biology-forums.com/index.php?topic=574391>

Question 1829

The primary limitation with the product division structure is the _____.

- A) cost of duplicated functions and international activities
- B) poor response to local market demands for a product
- C) inability to transfer core competencies within units
- D) difficulty of selling product lines

Answer: <https://biology-forums.com/index.php?topic=574002>

Question 1830

Which of the following most accurately describes the current state of HRM efforts to staff international operations?

- A) Fewer women are accepting international assignments.

- B) The length of permanent assignments is rising among middle managers.
- C) There are historic shortages of executive talent for international assignments.
- D) Third-country nationals are quickly being replaced by localized expatriates.

Answer: <https://biology-forums.com/index.php?topic=574410>

Question 1831

One way that developed countries specialize in order to gain acquired advantages is by _____.

- A) allocating research efforts more heavily in specific sectors
- B) emphasizing production in natural resource endowments
- C) restricting imports to those in the service sector
- D) subsidizing the transport of exports

Answer: <https://biology-forums.com/index.php?topic=572854>

Question 1832

What is the primary concern regarding anti-corruption measures in the EU?

- A) resistance to an official anti-fraud commission
- B) inability to adopt a corruption definition
- C) lack of uniform laws across nations
- D) failure to conduct internal auditing

Answer: <https://biology-forums.com/index.php?topic=573495>

Question 1833

What role does a firm's strategy play in determining organizational structure? Why are boundaries problematic for firms with international strategies?

Answer: <https://biology-forums.com/index.php?topic=574075>

Question 1834

Dawson Manufacturing produces and sells DVD players and is planning to expand sales internationally. Dawson has narrowed down the list of potential countries to India and Guatemala. A Dawson manager has the task of obtaining data regarding the number of DVD players sold annually in India and Guatemala. If unable to locate this information, she might most likely estimate the sales potential of these two countries by _____.

- A) determining average wages
- B) calculating future inflation rates
- C) reviewing the countries' dependence on steel imports
- D) examining the sales history of flat-screen televisions

Answer: <https://biology-forums.com/index.php?topic=573685>

Question 1835

Arbitrage is the purchase of foreign currency on one market for immediate resale on a foreign market in order to profit from a price discrepancy.

Answer: <https://biology-forums.com/index.php?topic=573232>

Question 1836

What is gross national income? How is it calculated? Illustrate your answer with a specific example.

Answer: <https://biology-forums.com/index.php?topic=572817>

Question 1837

What individual characteristics and qualifications should a company consider when choosing managerial candidates for foreign assignments? Which one do you think is most important? Why?

Answer: <https://biology-forums.com/index.php?topic=574512>

Question 1838

Which of the following would be an example of a customer orientation in international marketing?

- A) A cosmetics company bans animal testing of its products to gain goodwill.
- B) A fruit company brands the bananas it sells in foreign and domestic markets.
- C) A beer company makes non-alcoholic beer for a country that bans the sale of alcohol.
- D) A plastics manufacturer makes some components to the specifications of a foreign company.

Answer: <https://biology-forums.com/index.php?topic=574087>

Question 1839

Companies using a sales orientation find their greatest ability to sell the same product in more than one country when _____.

- A) promotional programs are identical in each country

- B) consumer characteristics are similar
- C) the product is a household item
- D) the product has a low price relative to incomes

Answer: <https://biology-forums.com/index.php?topic=574086>

Question 1840

A company that prices its products at a desired margin over cost is using a cost-plus strategy.

Answer: <https://biology-forums.com/index.php?topic=574168>

Question 1841

A firm that concentrates on national cultural differences in terms of averages is more likely to _____.

- A) underestimate market demands
- B) increase political risks
- C) seek cultural collision
- D) overlook outliers

Answer: <https://biology-forums.com/index.php?topic=572572>

Question 1842

All of the following are benefits of countertrade EXCEPT _____.

- A) decreasing trade protectionism
- B) increasing access to innovative technology
- C) developing new trade relationships with foreign companies
- D) preserving foreign-exchange reserves

Answer: <https://biology-forums.com/index.php?topic=573835>

Question 1843

Which stakeholders must companies satisfy? What role should stakeholders play in a firm's internal code of conduct?

Answer: <https://biology-forums.com/index.php?topic=573554>

Question 1844

The balanced scorecard approach is a preferred method for measuring performance among U.S. firms, but the EU does not allow its usage.

Answer: <https://biology-forums.com/index.php?topic=574381>

Question 1845

The idea of _____ involves how a company specifies organizational tasks; divides those tasks into jobs, departments, subsidiaries, and divisions; and then assigns authority and authority relationships.

- A) systemic differentiation
- B) horizontal differentiation
- C) vertical differentiation
- D) schematic differentiation

Answer: <https://biology-forums.com/index.php?topic=573991>

Question 1846

What is a multinational enterprise (MNE)? How do physical and social factors affect how an MNE functions in a foreign country?

Answer: <https://biology-forums.com/index.php?topic=572520>

Question 1847

All of the following are true about distribution concerns when marketing internationally EXCEPT which one?

- A) Geographic barriers may divide countries into very distinct markets.
- B) In some countries, few potential sales lie outside the large metropolitan areas.
- C) Each country has its own distribution system, making standardization of distribution difficult.
- D) Because most foreign consumers are easily presold by advertising messages, it is difficult to convince retailers to offer good service.

Answer: <https://biology-forums.com/index.php?topic=574139>

Question 1848

Taxation is an important cash flow issue, but it typically does not have a strong impact on the choice of organizational form (such as branch or subsidiary) or the location of an investment.

Answer: <https://biology-forums.com/index.php?topic=573450>

Question 1849

U.S. MNEs that operate in Europe are under pressure to conform to the emissions standards of the Kyoto Protocol.

Answer: <https://biology-forums.com/index.php?topic=573544>

Question 1850

The Eurocurrency market is a retail, rather than wholesale, market.

Answer: <https://biology-forums.com/index.php?topic=573432>

Question 1851

Which of the following is true concerning the International Accounting Standards Board?

- A) The IASB is an EU institution designed to harmonize accounting standards among EU member countries.
- B) The EU has voted to not adopt IFRS issued by the IASB so that it will not hurt its own convergence efforts.
- C) The IASB and the FASB of the United States are working closely to harmonize accounting standards.
- D) FASB has been ordered by the SEC to not work with the IASB in setting accounting standards.

Answer: <https://biology-forums.com/index.php?topic=574321>

Question 1852

What are core competencies? How do firms that adopt an international strategy utilize their core competencies? How do firms that adopt a transnational strategy utilize their core competencies?

Answer: <https://biology-forums.com/index.php?topic=573675>

Question 1853

GAAP usage differences increase the problems associated with _____.

- A) trading foreign stock
- B) establishing e-commerce
- C) identifying emerging markets
- D) raising capital in different countries

Answer: <https://biology-forums.com/index.php?topic=574316>

Question 1854

Premium Manufacturing is planning to expand operations overseas. Executives at the firm are considering a number of different countries. Which of the following countries would most likely have the lowest start-up costs?

- A) India
- B) China
- C) Japan
- D) Guatemala

Answer: <https://biology-forums.com/index.php?topic=572671>

Question 1855

What is the difference between import substitution policies and export-led development policies? What are the potential effects of each?

Answer: <https://biology-forums.com/index.php?topic=573026>

Question 1856

The framework that managers use to make decisions that maximize their companies' value creation performance is referred to as a strategy.

Answer: <https://biology-forums.com/index.php?topic=573635>

Question 1857

The U.S. dollar is important as a vehicle for foreign-exchange transactions between two countries other than the United States.

Answer: <https://biology-forums.com/index.php?topic=573215>

Question 1858

The primary duty of the customs agency of a government is the assessment and collection of all duties, taxes, and fees on imported merchandise.

Answer: <https://biology-forums.com/index.php?topic=573851>

Question 1859

The comparative advantage theory holds that a country will gain from trade _____.

- A) when it exports products for which it has an acquired advantage and imports products for which another country has a natural advantage

- B) if it exports goods it can produce more efficiently than other countries and imports goods other countries can produce more efficiently than it can
C) even though it can produce all goods more efficiently than other countries
D) if it exports products using its abundant production factors in exchange for products for which it has scarce production factors

Answer: <https://biology-forums.com/index.php?topic=572840>

Question 1860

Exporting helps firms improve productivity by utilizing unused capacity and spreading research costs over more customers.

Answer: <https://biology-forums.com/index.php?topic=573862>

Question 1861

What is the primary advantage of an MNE using an ethnocentric framework?

- A) minimizing relocation costs
B) developing community support
C) transferring core competencies abroad
D) encouraging innovative business practices

Answer: <https://biology-forums.com/index.php?topic=574415>

Question 1862

International marketing is unlike domestic marketing because the basic principles are completely different.

Answer: <https://biology-forums.com/index.php?topic=574153>

Question 1863

Managers should understand the effect of trade protectionism because _____.

- A) trade protectionism may limit the number of people permitted to practice a specific profession
B) trade protectionism requires the payment of high insurance rates to transport goods internationally
C) trade protectionism may prevent companies' enactment of merger and acquisition agreements
D) trade protectionism may make it difficult for a company to buy what it needs from foreign suppliers

Answer: <https://biology-forums.com/index.php?topic=572931>

Question 1864

A comprehensive supply chain strategy should include good inventory management.

Answer: <https://biology-forums.com/index.php?topic=574263>

Question 1865

Which of the following elements is often overlooked when firms estimate the costs of outsourcing to low-wage countries?

- A) language barriers
B) overabundance of skilled and educated workers
C) lack of inventory
D) shipping distances

Answer: <https://biology-forums.com/index.php?topic=574207>

Question 1866

Which of the following would most likely be used in a totalitarian system to promote unconditional support for the official ideology?

- A) privately owned media outlets
B) a parliamentary system
C) state control of the education system
D) a representative legislative body

Answer: <https://biology-forums.com/index.php?topic=572644>

Question 1867

Relativism is the theory that ethical truths depend on the values of the groups holding them; thus, MNEs should adhere to or adopt the cultures of the countries in which they are located.

Answer: <https://biology-forums.com/index.php?topic=573533>

Question 1868

An advantage of collaborative agreements is the ability to spread faster geographically.

Answer: <https://biology-forums.com/index.php?topic=573943>

Question 1869

Configuration is the linking or integrating of activities into a unified system.

Answer: <https://biology-forums.com/index.php?topic=574256>

Question 1870

Western Union's role in foreign-exchange trading is best described as _____.

- A) setting a fair exchange rate in multiple currencies
- B) transferring currency from one country to another
- C) transferring Mexican pesos from the United States to Mexico
- D) handling all money transfers that occur between North and South America

Answer: <https://biology-forums.com/index.php?topic=573137>

Question 1871

The same automobile company produces Fiats and Ferraris. The company builds an engine plant in China with low production costs for Fiats but not Ferraris. The probable reason is that _____.

- A) Fiat competes mainly on a focus strategy, whereas Ferrari competes mainly on a mass-market strategy
- B) Fiat competes mainly on a mass-market strategy, whereas Ferrari competes mainly on a focus strategy
- C) Ferrari faces global competitors in China, whereas Fiat competes in China mainly against Chinese competitors
- D) although Ferrari did not build an engine plant, it will use the same Fiat engines in its models

Answer: <https://biology-forums.com/index.php?topic=572473>

Question 1872

The Human Development Index measures the average achievements in a country on three basic dimensions of human development, including _____.

- A) promotion of cultural values
- B) quantity of free time
- C) extent of knowledge
- D) sustainability

Answer: <https://biology-forums.com/index.php?topic=572757>

Question 1873

Which of the following is the LEAST likely reason for inaccuracies in published governmental data?

- A) translation errors from the host country language
- B) limitations of government resources and finances
- C) purposeful publication of misleading information
- D) false information provided to data collectors

Answer: <https://biology-forums.com/index.php?topic=573707>

Question 1874

The primary result of the Jamaica Agreement was to _____.

- A) allow greater exchange-rate flexibility
- B) set austerity measures for debt control
- C) establish a system based on par values
- D) implement fixed exchange rates

Answer: <https://biology-forums.com/index.php?topic=573257>

Question 1875

How do language differences affect international branding and promotion?

Answer: <https://biology-forums.com/index.php?topic=574190>

Question 1876

Today, which of the following circumstances is LEAST likely to cause expatriate failure?

- A) inability of the expatriate's family to adjust
- B) resistance from the expatriate's partner
- C) inadequate technical expertise
- D) inability to adjust

Answer: <https://biology-forums.com/index.php?topic=574433>

Question 1877

A company that develops different capabilities and contributions from different countries and shares them in integrated worldwide operations is using a transnational strategy.

Answer: <https://biology-forums.com/index.php?topic=573661>

Question 1878

A(n) _____ staffing policy framework assumes that the practices and procedures that work at headquarters will work in foreign operations; as such, executive slots are filled by home-country nationals.

- A) polycentric
- B) intercentric
- C) ethnocentric
- D) geocentric

Answer: <https://biology-forums.com/index.php?topic=574413>

Question 1879

Why do most companies examine expansion proposals one at a time rather than comparing various expansion proposals? Do you think this is effective? Why or why not?

Answer: <https://biology-forums.com/index.php?topic=573776>

Question 1880

Why might companies sometimes narrow the product line that they sell in a foreign country as compared to the product line they sell at home?

- A) Government restrictions typically limit how many products a company can sell locally.
- B) Selling cost per unit increases substantially when a company offers a broad product line.
- C) Not all products have sufficient demand in every market.
- D) Firms cannot sell products with product line gaps.

Answer: <https://biology-forums.com/index.php?topic=574100>

Question 1881

A black market exists when _____.

- A) a country closely monitors and adjusts the foreign-exchange rate
- B) people pay more for hard currency than the official rate
- C) a country is running a budget surplus
- D) a country is experiencing a recession

Answer: <https://biology-forums.com/index.php?topic=573275>

Question 1882

A company would most likely use gap analysis to _____.

- A) estimate market potential over a business cycle
- B) compare sales over time
- C) compare consumption potential with its own sales
- D) determine the best market niches to target

Answer: <https://biology-forums.com/index.php?topic=574147>

Question 1883

At present there is little reciprocal recognition of professional licensing among countries.

Answer: <https://biology-forums.com/index.php?topic=573018>

Question 1884

Safe work environments motivate _____; challenges motivate _____.

- A) individualists; collectivists
- B) collectivists; individualists
- C) non-fatalists; fatalists
- D) materialists; non-materialists

Answer: <https://biology-forums.com/index.php?topic=572554>

Question 1885

Decentralization has the key advantage of letting decisions be made by those who directly deal with customers, competitors, and markets.

Answer: <https://biology-forums.com/index.php?topic=574041>

Question 1886

All of the following are types of products that are usually exceptions to what is predicted by the product life cycle theory EXCEPT _____.

- A) trendy clothing
- B) luxury items
- C) differentiated products
- D) consumer durables

Answer: <https://biology-forums.com/index.php?topic=572862>

Question 1887

In the opening case on the Java Lounge in Saudi Arabia, people in the port city of Jeddah were less culturally conservative than people in the interior of the country. The most likely reason for this is that _____.

- A) people in the port cities have more contact with foreigners
- B) the coastal area has to trade with countries using different religious holidays
- C) the coastal area has a culture with a higher uncertainty avoidance
- D) the coastal area is secular, whereas the interior of Saudi Arabia has a state religion

Answer: <https://biology-forums.com/index.php?topic=572585>

Question 1888

Which of the following has the greatest potential to transform an industry's structure?

- A) a change in a competitor's management
- B) a change in a competitor's pricing structure
- C) the expansion of a distribution channel
- D) the exit of a competitor from the industry

Answer: <https://biology-forums.com/index.php?topic=573576>

Question 1889

Which of the following is generally the most costly information source for companies?

- A) individualized reports
- B) reports from international agencies
- C) reports from government agencies
- D) published reports by accounting firms

Answer: <https://biology-forums.com/index.php?topic=573709>

Question 1890

Kevin, a marketing executive with Ace Electronics, has relocated to India for an expatriate assignment. Kevin's wife, Julia, and three children have joined him. Ace Electronics provides the family with money intended to help Julia find a job and develop cross-cultural skills. Which of the following is Ace providing the family?

- A) repatriation allowance
- B) hardship allowance
- C) housing allowance
- D) spouse allowance

Answer: <https://biology-forums.com/index.php?topic=574443>

Question 1891

Meeting the needs of the present without compromising the ability of future generations to meet their own needs is known as sustainability.

Answer: <https://biology-forums.com/index.php?topic=573543>

Question 1892

Change agents intentionally cause or accelerate social and cultural change.

Answer: <https://biology-forums.com/index.php?topic=572616>

Question 1893

The foreign freight forwarder is the largest export intermediary in terms of value and weight of products managed.

Answer: <https://biology-forums.com/index.php?topic=573858>

Question 1894

Which stakeholder group primarily wants additional sales and increased productivity?

- A) customers

- B) shareholders
- C) society at large
- D) government

Answer: <https://biology-forums.com/index.php?topic=573470>

Question 1895

An international management contract is an agreement between a company and a foreign government on the number of foreign personnel it can employ.

Answer: <https://biology-forums.com/index.php?topic=573954>

Question 1896

Companies find it challenging to judge a potential expatriate's adaptability to foreign places, people, and processes.

Answer: <https://biology-forums.com/index.php?topic=574472>

Question 1897

Cost-of-living allowances given to an expatriate during his or her foreign assignment _____.

- A) usually involve a compensation reduction because of lower costs abroad
- B) are due to the difficulty of duplicating a particular way of living abroad
- C) are usually eliminated over time
- D) increase the longer the individual is overseas

Answer: <https://biology-forums.com/index.php?topic=574442>

Question 1898

Which of the following best depicts a push strategy for a U.S. company selling in Mexico?

- A) Tupperware selling through parties in homes
- B) Gillette selling razor blades through supermarkets
- C) KFC selling chicken dinners at its franchises
- D) Google advertising on television

Answer: <https://biology-forums.com/index.php?topic=574128>

Question 1899

All of the following are possible advantages of globally standardized advertising programs EXCEPT _____.

- A) cost savings
- B) improvement of local-level quality
- C) avoidance of legal impediments
- D) faster entry into different markets

Answer: <https://biology-forums.com/index.php?topic=574133>

Question 1900

In the context of value chain analysis, the support activities of a firm include _____.

- A) outbound logistics, human resources, and information systems
- B) production, marketing, and operations
- C) shipping and customer service
- D) research and development

Answer: <https://biology-forums.com/index.php?topic=573597>

Question 1901

What is a Eurodollar?

- A) a euro held by an American
- B) a U.S. dollar deposited in a European bank
- C) a euro deposited in a U.S. bank.
- D) any currency deposited in a country other than the country of issue

Answer: <https://biology-forums.com/index.php?topic=573363>

Question 1902

The introduction of the euro has eliminated currency as a barrier to trade in all European countries.

Answer: <https://biology-forums.com/index.php?topic=573111>

Question 1903

In foreign-exchange markets, reporting dealers trade more foreign exchange with other reporting dealers than with any other category of users.

Answer: <https://biology-forums.com/index.php?topic=573211>

Question 1904

The lack of cultural guidebooks and research specifically for international managers poses a significant problem for global firms.

Answer: <https://biology-forums.com/index.php?topic=572591>

Question 1905

Imported flowers are now a stronger competitor to U.S. grown flowers in the U.S. market. Which of the following is likely the MOST important factor for this increase in imports?

- A) more effective production techniques
- B) advances in communication systems
- C) advances in transportation and logistics
- D) cross-national cooperation

Answer: <https://biology-forums.com/index.php?topic=572437>

Question 1906

What is remittance income? What institutions in Mexico can handle remittance accounts? Why are some institutions used more frequently than others?

Answer: <https://biology-forums.com/index.php?topic=573247>

Question 1907

_____ manufacturing is any manufacturing that takes place in a country different from the home country.

- A) Offshore
- B) Multidomestic
- C) Cost-minimization
- D) Outsourcing

Answer: <https://biology-forums.com/index.php?topic=574205>

Question 1908

Foreign trade zones (FTZs) can be either general-purpose zones or subzones.

Answer: <https://biology-forums.com/index.php?topic=574279>

Question 1909

The nation offers a workable reference for studying cultural differences because _____.

- A) a nation contains only one distinct culture
- B) similarity among people is both a cause and effect of national boundaries
- C) the commonality of language within a nation eases the process of conducting surveys
- D) different groups within the same country always have more in common with each other than with groups in other countries

Answer: <https://biology-forums.com/index.php?topic=572531>

Question 1910

A computer firm has high foreign sales in Asia and wants to expand sales into Europe. Which of the following statements provides the most appropriate advice for Elway executives?

- A) Although countries' market sizes differ, companies usually face about the same number of competitors in each national market.
- B) In most industries, companies face the same competitors in each country where they operate.
- C) It takes about the same amount of resources to gain national distribution in one country versus another.
- D) Being a leader in one country does not guarantee market leadership in another country.

Answer: <https://biology-forums.com/index.php?topic=572474>

Question 1911

There is a strong correlation between the intensity of religious belief and attributes that lead to economic growth, such as obeying laws and thriftiness.

Answer: <https://biology-forums.com/index.php?topic=572601>

Question 1912

How would you classify the accounting values of companies from the United States and the United Kingdom in terms of their measurement and disclosure of financial information?

- A) secret and transparent
- B) transparent and optimistic

- C) secret and conservative
- D) conservative and optimistic

Answer: <https://biology-forums.com/index.php?topic=574303>

Question 1913

Which strategy champions worldwide consistency and standardization to support the firm's goal to become the low-cost leader?

- A) international strategy
- B) multidomestic strategy
- C) global strategy
- D) transnational strategy

Answer: <https://biology-forums.com/index.php?topic=573630>

Question 1914

Top executives at Jordan, a U.S. consulting firm, are debating whether or not to expand operations into a country with a great deal of violence by staffing mostly with U.S. personnel. A vice president argues that Jordan should send its employees there. Which of the following statements LEAST supports the vice president's position?

- A) Jordan can evacuate personnel more quickly than in earlier eras in case of a real emergency.
- B) It is hard to identify countries without a possibility for violence.
- C) Operating costs are lower in violent areas.
- D) Jordan's industry does not allow the firm the luxury of avoiding high risk locations.

Answer: <https://biology-forums.com/index.php?topic=573711>

Question 1915

The _____ view calls for companies to develop low-cost, high-powered, resource-minimizing innovations that can be marketed to the billions of people living on less than a few dollars a day.

- A) Base of the Pyramid
- B) Hierarchy of Needs
- C) Happy Planet Index
- D) Gini coefficient

Answer: <https://biology-forums.com/index.php?topic=572772>

Question 1916

There is a strong relationship between skewed income distributions and the split between those who live in urban settings versus those who live in rural areas.

Answer: <https://biology-forums.com/index.php?topic=572799>

Question 1917

Antidumping regulations of the WTO allow countries to establish restrictions against any exports that fail to meet quality standards.

Answer: <https://biology-forums.com/index.php?topic=574166>

Question 1918

What are the disadvantages of import restrictions in regards to creating domestic employment opportunities?

Answer: <https://biology-forums.com/index.php?topic=573023>

Question 1919

Neoclassical structures attempt to minimize boundaries between all of the following EXCEPT _____.

- A) vertical ranks and functions
- B) horizontal units in different areas
- C) the firm and its suppliers
- D) the firm and its competitors

Answer: <https://biology-forums.com/index.php?topic=574013>

Question 1920

What is a supply chain? How does a supply chain differ from materials management and logistics?

Answer: <https://biology-forums.com/index.php?topic=574283>

Question 1921

List and compare the three common methods of implementing a balanced compensation plan.

Answer: <https://biology-forums.com/index.php?topic=574513>

Question 1922

The advantage to host countries of international management contracts is that they _____.

- A) receive state-of-the-art facilities
- B) get assistance without foreign control
- C) can pay in local currency
- D) save on making capital investments

Answer: <https://biology-forums.com/index.php?topic=573914>

Question 1923

The most internationally mobile factor of production is _____.

- A) labor
- B) management
- C) long-term capital
- D) short-term capital

Answer: <https://biology-forums.com/index.php?topic=572872>

Question 1924

Which of the following accurately describes a difference between jobs in the home office versus those in a foreign subsidiary?

- A) Cultural empathy is essential for employees in the home office, but is **not** necessary for employees in a foreign subsidiary.
- B) Employees in the home office do not need to be familiar with a second language, but employees in a foreign subsidiary must be proficient in the language of the subsidiary's host country.
- C) Expatriate executives in foreign subsidiaries are less expensive for a company to employ than executives in the home office.
- D) Employees in foreign subsidiaries typically have broader job responsibilities than employees in the home office.

Answer: <https://biology-forums.com/index.php?topic=574430>

Question 1925

Coordination refers to _____.

- A) linking various value activities within an organization
- B) identifying the span of control within an organization
- C) portioning the performance of specific tasks
- D) assigning tasks to qualified managers

Answer: <https://biology-forums.com/index.php?topic=574021>

Question 1926

A hyperarchy is _____.

- A) a form of structure with precise superior and subordinate relationships
- B) a form of structure that relies on extensive centralization
- C) a large-scale, self-organizing community
- D) analogous to a hierarchy

Answer: <https://biology-forums.com/index.php?topic=574020>

Question 1927

_____ is the framework that managers apply to determine the competitive moves and business approaches that run the company.

- A) Competition
- B) Growth
- C) Strategy
- D) Vision

Answer: <https://biology-forums.com/index.php?topic=573567>

Question 1928

One advantage of importing is that an importer can diversify its operating risks by developing alternative suppliers.

Answer: <https://biology-forums.com/index.php?topic=573849>

Question 1929

A major pitfall of exporting is misclassifying products in terms of the destination country's tariff schedule, thereby incurring a higher tax or slower delivery.

Answer: <https://biology-forums.com/index.php?topic=573846>

Question 1930

Fewer and fewer companies are using third-party intermediaries to store and transport goods.

Answer: <https://biology-forums.com/index.php?topic=574281>

Question 1931

The functional structure is ideal when the company faces complex and changing environments.

Answer: <https://biology-forums.com/index.php?topic=574046>

Question 1932

Citibank decides to open a call center in Mumbai, India because a detailed analysis of the country-specific advantages suggests that India is the optimal place for responding to customers' calls. Citibank is exploiting _____ by running a call center in India.

- A) value configuration synergies
- B) location economies
- C) geographic arbitrage
- D) value offshoring

Answer: <https://biology-forums.com/index.php?topic=573600>

Question 1933

Today, most expatriate assignments are for _____.

- A) less than one year
- B) one to three years
- C) three to five years
- D) five to ten years

Answer: <https://biology-forums.com/index.php?topic=574405>

Question 1934

EBS and Reuters provide customers with electronic foreign-exchange services as well as current market data.

Answer: <https://biology-forums.com/index.php?topic=573234>

Question 1935

In a short essay, identify and explain three competitive factors that influence international businesses.

Answer: <https://biology-forums.com/index.php?topic=572522>

Question 1936

Compare and contrast the rule of law and the rule of man.

Answer: <https://biology-forums.com/index.php?topic=572722>

Question 1937

Which of the following would most likely trigger internal tensions as a firm's modes of foreign operations change?

- A) losing or gaining responsibilities
- B) reluctance to learn about a culture
- C) traveling for business purposes
- D) geographic diversity

Answer: <https://biology-forums.com/index.php?topic=573929>

Question 1938

A market economy gives individuals the freedom to decide where to work doing what, how to spend or save money, and whether to consume now or later.

Answer: <https://biology-forums.com/index.php?topic=572804>

Question 1939

Creolization refers to the mixing of cultural elements that occurs during cultural diffusion.

Answer: <https://biology-forums.com/index.php?topic=572597>

Question 1940

The U.S. government has more than 10,000 tariff classifications and more than half of them are subject to interpretation.

Answer: <https://biology-forums.com/index.php?topic=573852>

Question 1941

Critics of the view that regionalization will prevail over globalization most likely base their argument on the belief that _____.

- A) regionalization is a transition stage toward globalization
- B) neighboring countries are more apt to disagree politically than distant countries
- C) neighboring countries are too geographically similar to benefit from trade
- D) business in non-territorial areas is not regional

Answer: <https://biology-forums.com/index.php?topic=572477>

Question 1942

A worrisome outcome of chronic inflation is that it tends to _____.

- A) erode confidence in a country's currency
- B) give central banking officials excessive flexibility to manage monetary policy
- C) increase the real income of people, thereby inflating their spending and borrowing levels
- D) lower consumer demand for foreign goods, which triggers lower prices and eventually lower employment

Answer: <https://biology-forums.com/index.php?topic=572761>

Question 1943

Ultimately, countertrade is an inefficient way of doing business because it _____.

- A) encourages buyers and sellers to use customs brokers to handle exchanges
- B) requires buyers and sellers to negotiate a fair value on the exchange
- C) reduces the risk that the goods sent as payment are of poor quality
- D) eliminates the potential for price and financial distortion

Answer: <https://biology-forums.com/index.php?topic=573831>

Question 1944

The Single European Act set steps to accomplish monetary union in the European Union, including the creation of the euro.

Answer: <https://biology-forums.com/index.php?topic=573112>

Question 1945

Which term refers to restricting imports in order to boost domestic production and consumption of goods that would otherwise be imported?

- A) import substitution
- B) terms-of-trade
- C) most-favored nation
- D) in-sourcing

Answer: <https://biology-forums.com/index.php?topic=572948>

Question 1946

A governmental strategic trade (industrial) policy is one that _____.

- A) lessens dependence on foreign military goods
- B) seeks reciprocal free trade agreements between developed and developing countries
- C) targets the resources needed to support industries that seem to fit best with the country's advantages
- D) limits imports to encourage domestic production of what would otherwise be imported

Answer: <https://biology-forums.com/index.php?topic=572869>

Question 1947

The trade theory that says countries should concentrate production on those products using their most abundant production factors is the _____.

- A) factor proportions theory
- B) theory of comparative advantage
- C) theory of absolute advantage
- D) theory of nontradable goods

Answer: <https://biology-forums.com/index.php?topic=572850>

Question 1948

In terms of international business, it is most accurate to say that _____.

- A) there is a universal "best way" to conduct business
- B) global competition affects large companies but not small ones
- C) most firms depend either on foreign markets and supplies or compete against companies that do
- D) government regulation of international business has little effect on a company's profits

Answer: <https://biology-forums.com/index.php?topic=572426>

Question 1949

All of the following are benefits of using free trade zones EXCEPT _____.

- A) streamlined customs procedures
- B) reduced or eliminated duties
- C) deferred or eliminated taxes
- D) improved quality of goods

Answer: <https://biology-forums.com/index.php?topic=574252>

Question 1950

What factors complicate the international transportation of goods? How can a firm make the process more efficient?

Answer: <https://biology-forums.com/index.php?topic=574290>

Question 1951

Liability of foreignness refers to the situation in which a government has more stringent legal operating regulations on foreigners and foreign companies than on its own citizens and companies.

Answer: <https://biology-forums.com/index.php?topic=573748>

Question 1952

Proponents of _____ argue that individual interests are not as important as the welfare of the group.

- A) pluralism
- B) capitalism
- C) collectivism
- D) individualism

Answer: <https://biology-forums.com/index.php?topic=572632>

Question 1953

Increasingly, media reach audiences in more than one country, such as through satellite TV that reaches multiple countries simultaneously. What is NOT a problem of advertising on these media?

- A) Because of reaching so many households, the cost is prohibitive.
- B) The product may not be available everywhere it is advertised.
- C) A company may not be able to advertise prices because they may differ among countries.
- D) The advertisement may reach countries using different languages.

Answer: <https://biology-forums.com/index.php?topic=574134>

Question 1954

The _____ approach to expatriate compensation equalizes purchasing power across countries; this helps employees enjoy the same living standard in their foreign posting that they enjoyed at home.

- A) balance sheet
- B) equalization
- C) merit
- D) differential

Answer: <https://biology-forums.com/index.php?topic=574439>

Question 1955

The Human Development Index measures the average achievements in a country on three basic dimensions of human development: mortality, knowledge, and standard of living.

Answer: <https://biology-forums.com/index.php?topic=572793>

Question 1956

Some countries reverse engineer pharmaceutical products _____.

- A) because they know that generic products are inherently better than branded products
- B) to lower the cost of certain drugs to the domestic market
- C) as a way to charge higher prices in domestic markets
- D) to comply with international patent laws

Answer: <https://biology-forums.com/index.php?topic=573507>

Question 1957

Medco Pharmaceuticals charges a market price for heart medication to distributors in Italy and a discounted price for the same medication to distributors in Bangladesh. Medco is most likely using _____.

- A) discounted pricing
- B) skimmed pricing
- C) penetrated pricing
- D) tiered pricing

Answer: <https://biology-forums.com/index.php?topic=573506>

Question 1958

The best way for a Euroequity to get a listing in the United States is to issue a(n) _____.

- A) Global Depositary Receipt
- B) European Depositary Receipt
- C) American Depositary Receipt
- D) Domestic Depositary Receipt

Answer: <https://biology-forums.com/index.php?topic=573389>

Question 1959

In a short essay, compare push and pull promotional strategies.

Answer: <https://biology-forums.com/index.php?topic=574188>

Question 1960

The MNE that aims to control the transfer of its unique core competencies overseas usually prefers an ethnocentric staffing policy.

Answer: <https://biology-forums.com/index.php?topic=574463>

Question 1961

The approach a company takes when it bases foreign operations on an informed knowledge of its organizational culture along with home- and host-country needs, capabilities, and constraints is called _____.

- A) polycentrism
- B) ethnocentrism
- C) neocentrism
- D) geocentrism

Answer: <https://biology-forums.com/index.php?topic=572571>

Question 1962

What is the most common way of identifying market segments within a country?

- A) psychographics
- B) the Internet
- C) gap analysis
- D) demographics

Answer: <https://biology-forums.com/index.php?topic=574090>

Question 1963

NGOs must be recognized by the United Nations in order to do humanitarian work in developing countries.

Answer: <https://biology-forums.com/index.php?topic=573123>

Question 1964

What is meant by liability of foreignness? How might this influence location and allocation decisions?

Answer: <https://biology-forums.com/index.php?topic=573769>

Question 1965

_____ political risks arise from political actions, such as public corruption or a partisan judicial system, that interfere with transactions between sellers and buyers and that can significantly raise the costs of getting things done.

- A) Systemic
- B) Procedural
- C) Catastrophic
- D) Distributive

Answer: <https://biology-forums.com/index.php?topic=572655>

Question 1966

Which of the following statements is most likely true regarding relationships between MNEs and stakeholders?

- A) An MNE typically serves all stakeholder groups equally at any given time.
- B) No individual stakeholder group is powerful enough to cause the demise of an MNE.
- C) All stakeholders of an MNE have the same short-term and long-term goals and interests.
- D) The inability to adequately meet the long-term needs of all stakeholders increases the probability of an MNE failing.

Answer: <https://biology-forums.com/index.php?topic=573472>

Question 1967

National origin is an acquired group membership.

Answer: <https://biology-forums.com/index.php?topic=572599>

Question 1968

Some countries opt for a mixed economic system in the belief that although an economic system should aspire to achieve the efficiencies created by free markets, it must also support policies to _____.

- A) destabilize poverty rates
- B) achieve low unemployment
- C) restrict economic growth
- D) inequitably distribute wealth

Answer: <https://biology-forums.com/index.php?topic=572746>

Question 1969

ACE Computers established an assembly operation in Malaysia so that it would be close to its key suppliers. ACE is most likely engaging in _____.

- A) industrial clustering
- B) horizontal sourcing
- C) zero sourcing
- D) offshoring

Answer: <https://biology-forums.com/index.php?topic=574233>

Question 1970

A differentiation strategy is a unique mixture of the multidomestic and global strategies whereby the company attempts to capture the advantages of both.

Answer: <https://biology-forums.com/index.php?topic=573642>

Question 1971

Which term refers to the combination of external and internal mechanisms implemented to safeguard the assets of a company and protect shareholders' rights?

- A) consolidation
- B) transfer pricing
- C) balanced scorecard
- D) corporate governance

Answer: <https://biology-forums.com/index.php?topic=574351>

Question 1972

Which of the following has NOT been a major force increasing globalization in recent decades?

- A) liberalization of cross-border trade
- B) increase in and expansion of technology
- C) growing pressure from consumers
- D) decreasing prices of natural resources

Answer: <https://biology-forums.com/index.php?topic=572432>

Question 1973

The principle by which the tax authorities allow firms to reduce their tax liability by the amount of income taxes paid to foreign governments is known as _____.

- A) transfer pricing
- B) a tax credit
- C) lag strategies in tax planning
- D) passive income reductions

Answer: <https://biology-forums.com/index.php?topic=573426>

Question 1974

All of the following are international business translation problems EXCEPT which of the following?

- A) All written work requires back translation in order to be understood in a second language.
- B) Because languages and the common meaning of words are constantly evolving, the intended meaning of a word may be different from what the listener or reader understands.
- C) Some words in one language simply don't have a direct translation into another language.
- D) Words mean different things in different contexts, thus the wrong context may be translated.

Answer: <https://biology-forums.com/index.php?topic=572563>

Question 1975

A major problem with MNEs using offshore financial centers is that they may give unfair tax advantages to companies.

Answer: <https://biology-forums.com/index.php?topic=573445>

Question 1976

According to 2010 surveys, the most frequently traded currency pair is the U.S. dollar and Japanese yen.

Answer: <https://biology-forums.com/index.php?topic=573239>

Question 1977

Inflation in the United States would cause China's massive dollar reserves to lose value.

Answer: <https://biology-forums.com/index.php?topic=573317>

Question 1978

According to the theory of comparative advantage, a country gains from foreign trade even though it may have an absolute advantage in the production of all products because _____.

- A) the country will forego producing its less efficient output in order to produce its more efficient output
- B) workers become more efficient through specialization
- C) economies of scale will reduce cost
- D) there will be more incentive to develop cost-saving technologies

Answer: <https://biology-forums.com/index.php?topic=572841>

Question 1979

The international regulatory situation for trade is becoming more, rather than less, complex.

Answer: <https://biology-forums.com/index.php?topic=573021>

Question 1980

A _____ takes into account the complete costs of ownership, such as storing and transporting inventory, and of disposal.

- A) total cost analysis
- B) cost-benefit analysis
- C) make-or-buy decision
- D) flexibility strategy

Answer: <https://biology-forums.com/index.php?topic=574204>

Question 1981

Foreign source income that is derived from the active conduct of a trade or business and therefore subject to U.S. taxation is known as _____.

- A) passive income
- B) active income
- C) uncontrollable foreign corporation income
- D) tax haven income

Answer: <https://biology-forums.com/index.php?topic=573417>

Question 1982

The Gini coefficient estimates a country's _____.

- A) gross national product
- B) economic development
- C) political and legal risk
- D) income inequality

Answer: <https://biology-forums.com/index.php?topic=572771>

Question 1983

Using the same exchange rate to set the budget and monitor results _____.

- A) allows management to focus on operating variances instead of exchange-rate variances
- B) enables management to focus on both operating and exchange-rate variances
- C) is an illegal reporting method according to the FASB
- D) is the only method that can be used in Europe

Answer: <https://biology-forums.com/index.php?topic=574338>

Question 1984

What is the most likely reason that consumers rarely protest import restrictions that raise the prices they pay for a specific product?

- A) They reason that if the import restrictions are removed, the foreign producers will raise their prices to those of the domestic producers anyway.
- B) Many countries prohibit consumers to band together to influence political actions.
- C) Typically, although the added costs to consumers for a given product are high in aggregate, they are fairly trivial for most individual consumers.
- D) They reason that if they do something to hurt domestic employment for one product, the displaced workers will then do something that will hurt their own employment.

Answer: <https://biology-forums.com/index.php?topic=572935>

Question 1985

A key disadvantage of a polycentric staffing policy is that it limits the career mobility of subsidiary executives.

Answer: <https://biology-forums.com/index.php?topic=574466>

Question 1986

The Netherlands is an example of a country that is micro-based from an accounting perspective, as opposed to macro-uniform based.

Answer: <https://biology-forums.com/index.php?topic=574359>

Question 1987

Which of the following refers to the means by which management applies the systems that link a company's value activities, whether those activities are performed in one or in many countries?

- A) configuration
- B) logistics
- C) coordination
- D) core competency

Answer: <https://biology-forums.com/index.php?topic=573604>

Question 1988

The creation of a code of conduct includes steps such as establishing a global policy, communicating the code to employees, ensuring that the policies are followed, and reporting results to external stakeholders.

Answer: <https://biology-forums.com/index.php?topic=573552>

Question 1989

In Country X, all dimensions of economic activity, including pricing and production decisions, are determined by the central government. Which term best describes Country X?

- A) market economy
- B) mixed economy
- C) command economy
- D) democratic economy

Answer: <https://biology-forums.com/index.php?topic=572743>

Question 1990

The argument for using protectionism to bring about industrialization in developing countries presumes that gains will occur because the industry will become internationally competitive.

Answer: <https://biology-forums.com/index.php?topic=572999>

Question 1991

Which term refers to the network that links together the different aspects of the value chain and coordinates materials, information, and funds from the initial raw-material supplier to the ultimate customer?

- A) logistics strategy information system
- B) materials management device

C) customer service

D) supply chain

Answer: <https://biology-forums.com/index.php?topic=574196>

Question 1992

All of the following are reasons piracy has occurred EXCEPT _____.

A) technology allows copyrighted material to be reproduced cheaply without much loss of quality

B) some countries offer little protection for certain products

C) in some cultures, people see little morally wrong in buying counterfeit goods

D) the protection of intellectual property rights varies little from country to country

Answer: <https://biology-forums.com/index.php?topic=572680>

Question 1993

Headquarters management often feels that people within an established operation are the best judge of the operation's investment needs.

Answer: <https://biology-forums.com/index.php?topic=573757>

Question 1994

The U.S. catfish industry successfully petitioned the U.S. government to require that catfish varieties imported from Vietnam be labeled as tra, basa, or pangasius. This is an example of which of the following?

A) an embargo

B) a tariff

C) a nontariff barrier

D) a direct price influence

Answer: <https://biology-forums.com/index.php?topic=572988>

Question 1995

What is the difference between a polycentric, ethnocentric, and geocentric approach to international management? What key factors should a firm consider before adopting one of these approaches?

Answer: <https://biology-forums.com/index.php?topic=572626>

Question 1996

Parmalat engaged in financial statement fraud in part to divert funds to family-owned businesses.

Answer: <https://biology-forums.com/index.php?topic=574379>

Question 1997

The _____ is the most widely traded currency in the world.

A) pound

B) yen

C) euro

D) U.S. dollar

Answer: <https://biology-forums.com/index.php?topic=573167>

Question 1998

A letter of credit that provides an exporter with the guarantee of another bank in addition to the importer's bank is called _____.

A) a confirmed letter of credit

B) a time draft letter of credit

C) an amendable letter of credit

D) a cash in advance letter of credit

Answer: <https://biology-forums.com/index.php?topic=573199>

Question 1999

Why are the concepts of dependability and quality important when developing a global manufacturing strategy?

Answer: <https://biology-forums.com/index.php?topic=574292>

Question 2000

GATT's contribution to trade liberalization made possible the expansion of world trade in the second half of the twentieth century.

Answer: <https://biology-forums.com/index.php?topic=573099>

Question 2001

In foreign-exchange markets, reporting dealers _____.

- A) work extensively with nonfinancial institutions, such as the regional banks
- B) trade more foreign exchange with other financial institutions than with any other category of users
- C) trade more currency with governments and corporations than with other reporting dealers
- D) are prohibited from trading currencies with other reporting dealers

Answer: <https://biology-forums.com/index.php?topic=573159>

Question 2002

Because consumers want a greater variety of goods and services at lower prices, many governments have _____.

- A) reduced their restrictions on the international movement of goods and services
- B) acted to tax most imports at a lower rate than domestic products
- C) sought to eliminate reciprocal advantages negotiated through international organizations and treaties
- D) increased their participation in multinational problem-solving efforts

Answer: <https://biology-forums.com/index.php?topic=572438>

BIOLOGY-FORUMS.COM