

INTERNATIONAL BUSINESS

- 1) A trade deficit exists for a country when
 - A) its exports equal its imports.
 - B) its exports exceed its imports.
 - C) its imports exceed its exports.
 - D) its GDP is lower than the GDP of its trade partners.

- 2) _____ is an example of a natural disaster that will have an impact on international business.
 - A) Terrorism
 - B) Civil unrest
 - C) War
 - D) Drought

- 3) _____ occurs when a company sells its product for very low prices in other countries, making it nearly impossible for competitors to conduct business.
 - A) Importing
 - B) Exporting
 - C) Dumping
 - D) Low balling

- 4) Span of control in an international business refers to the
 - A) number of levels of managers within the organization.
 - B) number of employees that a manager supervises.
 - C) distance between levels of management in an organization.
 - D) distance in feet between the employees and their managers.

- 5) The term "patent" refers to
 - A) an inventor's exclusive rights to a product or process.
 - B) a company's responsibility to produce safe items.
 - C) an author's exclusive rights to publish a work.
 - D) a symbol used to identify a company's product.

- 6) Physical distance between people varies from culture to culture. The physical distance is referred to as
 - A) oculusics.
 - B) haptics.
 - C) chromatics.
 - D) proxemics.

- 7) Consumer reactions to advertising and other mass communication techniques can be tracked through
- A) marketing research.
 - B) observation.
 - C) direct communication.
 - D) the number of magazine or newspaper subscriptions.
- 8) The government makes nearly all economic decisions in a
- A) communist economy.
 - B) mixed economy.
 - C) socialist economy.
 - D) capitalist economy.
- 9) An example of an economic risk for a multinational company would be
- A) government regulations.
 - B) political instability.
 - C) family structure in a country.
 - D) currency value.
- 10) Struggling economies _____ interest rates to encourage spending on big ticket items.
- A) stabilize
 - B) freeze
 - C) lower
 - D) raise
- 11) _____ is when a company buys land or other resources in another country.
- A) A wholly owned subsidiary
 - B) Foreign direct investment
 - C) Joint venture
 - D) Management contracting
- 12) All of the following are advantages of a company having access to a global labor pool **except**
- A) productivity.
 - B) paying lower wages.
 - C) diversity.
 - D) innovation.

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

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