Chapter 8 Quiz

1. \_\_\_\_\_\_\_\_ refers to the processes by which people, goods, services, information, ideas and capital flow across national borders.
   1. Globalization
   2. International Information Share
   3. Exporting
   4. National Capital
2. The most widely used metric is\_\_\_\_\_\_\_\_\_\_.
3. Gross National Income (GNI)
4. Trade Surplus
5. Gross Domestic Product (GDP)
6. Purchasing Power Parity (PPP)
7. \_\_\_\_\_\_\_\_\_\_ is defined as the basic facilities, services, and installations needed for a community or society to function.
8. Technology
9. Infrastructure
10. Economy
11. Marketing
12. Another name for a tariff is a(n)\_\_\_\_\_\_\_\_.
    1. Exchange rate
    2. Duty
    3. Quota
    4. Trading Bloc
13. Which of the following is NOT one of Hofstede's six culture dimensions?
    1. Power Distance
    2. Individualism
    3. Place Orientation
    4. Masculinity
14. The Gross National Income (GNI) consists of:
    1. All market value goods produced by a country in a year
    2. GDP plus the net income earned from investments abroad
    3. GDP minus the net income earned from investments abroad
    4. All of a nations residents income's added together
15. The Purchasing Power Parity(PPP) is:
    1. A theory that states if the exchange rates of two countries are in equilibrium, a product purchased in one will cost more in the other, if expressed in the same currency.
    2. A theory that states if the exchange rates of two countries are in equilibrium, a product purchased in one will cost the same in the other, if expressed in the same currency.
    3. A theory that states if the exchange rates of two countries are not in equilibrium, a product purchased in one will cost the same in the other, if expressed in the same currency.
    4. A theory that states if the exchange rates of two continents are in equilibrium, a product purchased in one will cost the same in the other, if expressed in the same currency.
16. How does the imposition of a tariff benefit companies within the domestic market?
    1. A tariff increases the amount of time it takes for foreign companies to send their product
    2. Competition from foreign countries decreases due to an increased cost on imported products
    3. Tariffs actually hurt domestic companies instead of helping them
    4. Imposing a tariff decreases domestic expenditure
17. Which statement is true?
    1. The United States has committed to allowing at least 1.23 million tons of sugar to be imported it without a tariff, which is an example of quota.
    2. The United States imported beef to China and it costs $100 per pound is an example of quota.
    3. Quota is a tax on imported good.
    4. Quota does not have potentially devastating impacts on a firm's ability to sell products in another country.
18. What is the difference between exchange control and exchange rate?
    1. Control is how one country's money is worth to another ones, and rate is the regulation.
    2. Rate is how one country's money is worth to another ones, and control is the regulation.
    3. Neither of these are the right answer.
    4. They're the same.
19. A trading bloc consists of\_\_\_\_\_\_.
    1. Countries that have signed a particular trade agreement
    2. Trading platform for small business’
    3. Cooperations providing services to small business’
    4. Individual people bartering items and services
20. Which country is NOT part of the BRIC?
    1. Brazil
    2. Cuba
    3. India
    4. Russia
21. Why do marketers want to market in the BRIC countries?
    1. the countries have experienced tremendous growth and expansion leading to abundant market potential
    2. they are popular travel destinations
    3. minimum wage is much less
    4. kids can work at a much younger age than in the US
22. Which of these is not a component of a country market Assessment?
    1. Economic Analysis using metrics
    2. Sociocultural analysis
    3. Systems analysis
    4. Infrastructure and technology
23. What kind of contract allows the franchisee to operate a business using the name and business format developed and supported by the franchisor?
    1. Franchising
    2. Open
    3. Closed
    4. Free
24. Strategic alliance includes a collaborative relationship between independent firms. Which of the following is a benefit from forming this alliance?
    1. The success goes towards only one firm.
    2. It achieves a result the other firm could not achieve alone.
    3. An equity partnership.
    4. It is the least riskiest strategy when entering global markets.
25. Which Global Entry Strategy is formed when a firm entering a market pools its resources with those of a local firm?
    1. Exporting
    2. Franchising
    3. Strategic Alliance
    4. Joint Venture
26. A \_\_\_\_\_\_\_\_\_\_\_\_\_\_ requires a firm to maintain 100 percent ownership of its plants, operation facilities, and offices in a foreign country, often through the formation of wholly owned subsidiaries.
    1. joint venture
    2. strategic alliance
    3. direct investment
    4. reverse innovation
27. Which of these is NOT a potential global product strategy?
    1. sell the same product or service in both the home country market and the host country
    2. sell a product or service similar to that sold in the home country but include minor adaptations
    3. sell totally new products or services
    4. sell a product or service similar to that sold in the home country but include major adaptations
28. \_\_\_\_\_\_ is when companies initially develop products for niche or underdeveloped markets and then expand them into their original home markets.
    1. Reverse innovation
    2. Home marketing
    3. Base marketing
    4. Backwards innovation

Answer Key

1. A
2. C
3. B
4. B
5. C
6. B
7. B
8. B
9. B
10. B
11. A
12. B
13. A
14. C
15. A
16. B
17. D
18. C
19. D
20. A