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| **INTERNATIONAL BUSINESS** |
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| 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. |

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| 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 |

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| 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 |

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| 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. |

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| 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. |

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

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| 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. |

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| 8)  | The government makes nearly all economic decisions in a |
|  | A) communist economy. |
|  | B) mixed economy. |
|  | C) socialist economy. |
|  | D) capitalist economy. |

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| 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. |

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| 10)  | Struggling economies \_\_\_\_\_\_\_\_\_ interest rates to encourage spending on big ticket items. |
|  | A) stabilize |
|  | B) freeze |
|  | C) lower |
|  | D) raise |

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| 11)  | \_\_\_\_\_\_\_\_ is when a company buys land or other resources in another country. |
|  | A) A wholly owned subsidiary |
|  | B) Foreign direct investment |
|  | C) Join venture |
|  | D) Management contracting |

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| 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. |

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| 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. |

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| 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 |

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| 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. |

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| 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 |