**Chapter 12 Multiple Choice Questions**

1. **The past 50 years have seen a rapid growth in international business activities as companies seek to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.**
2. increase profit
3. diversify
4. reduce cost
5. expand their value-adding operations
6. **For an international company, it is imperative to develop marketing strategies in order to deal with \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.**
7. increasing cost of doing business
8. high local taxes
9. political uncertainty
10. constant changes in global contexts
11. **Which of the following is not a factor triggering companies to globalize?**
12. search of growth and new markets
13. driven by prestige
14. more competition in their home country
15. low risk in foreign markets
16. **There is a growing argument that business needs to adapt \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ to specific markets.**
17. product, price, distribution, and promotion
18. products, production, and marketing strategies
19. sales, marketing, and production
20. product design, colour, and style
21. **Which of the following is not a barrier to international marketing?**
22. Language and culture
23. Currency compatibility and transfer of capital
24. Rising costs of moving inventories to foreign markets
25. Instability of governments
26. **The four entry modes that are generally considered when entering foreign markets are:**
27. Exporting, licensing, joint venture, manufacturing
28. Exporting, licensing, joint venture, marketing
29. Exporting, licensing, franchising, manufacturing
30. Exporting, importing, joint venture, manufacturing
31. **\_\_\_\_\_\_\_\_\_\_\_ refers to situations where a firm manufactures products in one country and transfers them to markets in another country.**
32. Exporting
33. Importing
34. Licensing
35. Joint venture
36. **In contrast to the \_\_\_\_\_\_\_\_\_\_\_\_\_\_ entry mode, \_\_\_\_\_\_\_\_\_\_\_\_\_ will allow firms to have 100 per cent ownership.**
37. exporting; joint venture
38. licensing, joint venture
39. exporting; manufacturing
40. joint venture; manufacturing
41. **Which of the following is not an advantage of licensing?**
42. Low resource commitment
43. Low capital risk
44. Protection of trademarks
45. Creates possible future competition
46. **Which of the following is not an advantage of manufacturing?**
47. Higher-level resource commitment
48. Lower transportation costs
49. Quick response to local demand
50. Access to local market intelligence
51. **Exchange rate fluctuation is an example of:**
52. International economic environment
53. International social and cultural environment
54. International technological environment
55. International political-legal environment
56. **Labour conditions are an example of:**

a) International economic environment

b) International social and cultural environment

c) International technological environment

d) International political-legal environment

1. **The quest for international competitiveness in many cases instigates a strategy of** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.
2. globalization
3. differentiation
4. standardization
5. market penetration
6. **Highly standardized products have easier access to the international market than customized products because of the tendency to achieve wider market penetration based on \_\_\_\_\_\_\_\_\_\_\_ competitiveness.**
7. brand
8. delivery
9. price
10. quality
11. **A recurrent criticism of standardization is the tendency towards \_\_\_\_\_\_\_\_\_\_\_\_ – that is, treating foreign markets as if they were mirror images of the company’s home market.**
12. ethnocentrism
13. egocentrism
14. nationalism
15. internationalism