***The Global Business Environment*, 6th edition**

Multiple choice questions for the end of each chapter.

**Chapter 1**

1 What are the strengths of the Levi Strauss brand?

a Its fashion-conscious designs

b Its history

c Its ethical reputation

d Its promotion by star athletes

2 Which of the following is a not-for-profit organization?

a Barclays Bank

b Facebook

c The Red Cross

d General Motors

3 Which of the following are **not** stakeholders of a company?

a Employees of the company

b Customers of the company

c The community where the company is based

d Employees of a rival firm

4 A ‘franchisee’ is defined as…

a An owner of a brand who licenses businesses to trade under that brand

b A business owner who pays fees to the owner of the brand

c A brand owner who lets others use the brand

d A person who is a sole trader

5 Sustainability is distinctive in taking into account which of the following?

a Community interests

b Future generations

c Charities

d Employee interests

6 The medium-size company consists of a maximum of how many employees?

a 30

b 40

c 60

d 249

7 Which of the following rights would an ordinary shareholder **not** expect?

a Vote in the Annual General Meeting

b Receive dividends

c Have a say in management

d Vote on directors of the company

8 Which of the following is a criterion for a public limited company?

a All the shares must be offered to the public.

b The company must be owned by the state.

c A portion of the shares must be offered to the public.

d The government controls the company.

9 Which of the following best describes a non-executive director?

a A person who sits on the company’s board as someone independent of the owners

b A person who sits on the company’s board as someone independent of the owners and managers

c A person who sits on the board, but is not an employee of the company

d A person who paid a fee for sitting on the company’s board

10 Which of the following is **not** an element of sustainability?

a Climate change.

b Governance to promote social goods.

c Societal wellbeing.

d Industrialization.

**Chapter 2**

1 SoftBank’s Vision Fund supports which one of the following?

a Space travel

b Innovative technology

c Property development

d Energy companies

2 All but which one of the following statements reflects Friedman’s views on the internet?

a It helps to expand global markets.

b It undermines individual freedoms.

c It allows companies to become globalized.

d It empowers individuals.

3 Which of the following trends poses a threat to globalization?

a Spread of the internet

b Increase in trade barriers

c Integrated supply chains

d Global brands

4 In the 1980s, which Asian countries were industrializing rapidly?

a China and Taiwan

b Japan and South Korea

c Japan and Indonesia

d South Korea and the Philippines

5 Which of the following describes the Human Development Index as a system of ranking countries?

a Ranking by income, health and education

b Ranking by wealth, standard of living and education

c Ranking by standard of living, health and childhood mortality

d Ranking by income, level of development and health

6 Which of the following is **not** a transition economy?

a Russia

b Poland

c Slovakia

d Ireland

7 Which of the following is a ‘pull’ factor, encouraging companies to internationalize?

a Saturation in the home market

b Growing consumer markets in emerging economies

c Increased regulation in the home market

d Diminishing pool of skilled workers in the home market

8 What does a sovereign wealth fund exist to do?

a Support domestic industries

b Pay out pensions to citizens

c Invest state funds in the global economy

d Pay out social benefits to citizens

9 Which of the following is **not** a location advantage for foreign investors?

a Cheap labour

b Low taxes

d Proximity to transport

c High level of regulation

10 All by which one of the following was a factor in the decline of Detroit’s car industry?

a New factories built by foreign carmakers

b Shortage of workers

c Poor record of innovation

d Poor industrial relations

**Chapter 3**

1 Which of the following best characterizes Qatar’s development model?

a Modernization based on energy wealth.

b An economy based on energy resources.

c An economy based on migrant labour.

d Economic development based on tourism.

2 Which of the following characterizes a polycentric culture?

a Belief in the superiority of one’s own culture

b Hostility to other cultures

c Openness to other cultures

d Anti-immigrant views

3 Which of the following is a high-context culture?

a UK

b US

c Japan

d Australia

3 Which of the following characteristics is **not** associated with religious fundamentalism?

a Strict religious practices

b Tolerance of people of other faiths

c Social conservatism

d Strict adherence to sacred texts

4 Which of the following best defines power distance in Hofstede’s cultural dimensions?

a Sense of being remote from those at the top

b Sense of having little power

c Sense of anxiety over decisions made by those above you

d Sense of being one of a group

5 Why is Taylorist scientific management criticized?

a It advocates very low wages.

b It reduces human workers to machine-like, repetitive tasks.

c It is based on assembly lines.

d It is boring for workers.

6 Remittances can be defined as…

a Payments by employers to migrants’ families

b Money sent by migrant workers to their families in their homelands

c Money sent to migrant workers by their families

d Payments made by governments to migrant workers

7 Which country among the following is the source of a large outward movement of refugees from conflict?

a Afghanistan

b Mexico

c Greece

d Ireland

8 Which of these continents is experiencing the fastest-growing urbanization?

a Europe

b Asia

c Africa

d South America

9 Which of the following is not among the drivers of urbanization in Africa?

a Rural poverty

b Attraction of industrial employment in the cities

c Diminishing viability of agriculture in the countryside

d Effects of climate change

10 Which of the following statements about ageing populations is false?

a Gender inequalities in old age exist in both developing and developed countries.

b Pensioners in developed countries often continue to work in order to make ends meet.

c 35% of people in sub-Saharan Africa can expect a pension.

d By 2050, developing countries will have the largest number of people over 60.

**Chapter 4**

1 China’s economic growth has slowed because…

a Its industries have failed to innovate.

b Its industries have sold too little to domestic consumers.

c There has been a slowdown in demand in global markets.

d China’s government has fostered more state-owned companies.

2 A recession consists of…

a Prolonged negative economic growth

b Two successive quarters of negative economic growth

c One quarter of negative economic growth

d Generally falling prices

3 Which of the following countries is the most unequal, according the Gini Index?

a Germany

b Norway

c South Africa

d China

 4 An unemployed person is more likely to be eligible for state benefits in which country?

a China

b Germany

c South Korea

d the Philippines

5 Which is the following is **not** an aspect of monetary policy?

a Exchange rates

b Interest rates

c Money supply

d Rates of taxation

6 Which of the following has a high current account surplus?

a the US

b the UK

c Germany

d China

7 A liberal market economy prioritizes which of the following?

a High taxes

b Government ownership of industries

c Freedom of enterprise

d Spending on welfare-state programmes

8 The social market economy stresses which of the following?

a Social justice

b Economic growth

c Open markets

d State planning

9 Which of the following is **not** an EU member state?

a Croatia

b Moldova

c Romania

d Bulgaria

10 India’s economic growth has been dampened by all but which one of the following?

b Promotion of computing and IT businesses

c Poor infrastructure

d Its socialist legacy

a Policies that have discouraged FDI

**Chapter 5**

1 Brazil’s president, Jair Bolsonaro, prioritizes which one of the following?

a Preserving the Amazon’s ecosystem

b Promoting large agribusinesses

c Promoting indigenous cultures

d Promoting measures to tackle climate change

2 Which of the following is a civil society organization?

a A state-owned national bank

b A public-sector oil company

c A trade union

d A government employment agency

3 What is the justification for a public/private partnership?

a Way of financing the delivery of public services

b Way of promoting capitalism

c Way of limiting capitalism

d Way of improving public services

4 Why do countries adopt a federal system of government?

a To exert more control over the population

b To divide authority between central and regional governments

c To give autonomy to the regions

d To take away autonomy from the regions

5 Which of the following is **not** a cause of internal political risk?

a Ethnic tensions

b High inequality

c Rising incomes

d Corrupt leaders

6 Which of the following describes China’s political system?

a Liberal democracy

b Communist party control with market reforms in the economy

c Military dictatorship

d Expanding state ownership

6 All but which one of the following are characteristics of populist ideology?

a Extreme nationalism

b Support for authoritarian government

c Rejection of established political parties

d Belief in liberal democracy

7 What is proportional representation in legislative elections?

a Allocation of seats in proportion to the proportion of votes obtained

b Allocation of seats to small parties

c Allocation of seats to women candidates

d Allocation of seats to the main parties

8 Which of the following is a risk to democracy in Poland?

a A multi-party electoral system

b Erosion of the independent judiciary

c Religious parties

d Ethnic divisions

9 Which of the following activities by businesses is legitimate lobbying?

a Paying government officials to obtain favourable treatment

b Paying a legislator to vote a particular way on a piece of proposed legislation

c Joining an association that puts pressure on legislators to reduce regulatory burdens

d Offering an expensive holiday as a gift to an official

10 Which of the following is a trend in the changing balance of global political power?

a Increasing power of the US

b Increasing power of China

c Increasing power of Russia

d Increasing power of democratic countries

**Chapter 6**

1 Public law is defined as law relating to…

a Relations between governments

b Relations between government departments

c Relations between citizens and the state

d Relations between companies and the government

2 A ‘prosecution’ is defined as…

a police proceedings against citizens

b legal proceedings for breach of contract

c an action by regulatory authorities against a business

d legal proceedings against a person accused of a crime

3 Which of the following has the weakest rule of law?

a Brazil

b US

c China

d Turkey

4 The legal system of which of the following countries is **not** within the civil law tradition?

a US

b France

c Japan

d China

5 The highest court in the European Union is…

a The European Court of Justice

b The Supreme Court of the EU

c The European Supreme Court

d The International Court of Justice

6 In which country was Citizens United judgment decided?

a the UK

b the US

c Australia

d Canada

7 The Bhopal disaster concerned…

a A textile factory that collapsed

b A chemical plant

c A nuclear reactor

d A factory fire

8 International law rests on which of the following legal instruments?

a Statute law passed by state legislatures

b Codes of practice

c Civil codes

d Treaties

9 Investor-state dispute settlement (ISDS) is designed to protect which of the following?

a Governments of countries that host FDI

b Populations of countries that host FDI

c Companies that invest in foreign countries

d Employees of foreign investors

10 Which of the following is **not** a matter of competition law?

a Oversight of mergers

b Corporate governance

c Abuse of a dominant market position

d Behaviour of cartels

**Chapter 7**

1 Which of the following statements about Huawei is false?

a It is a leader in 5G technology.

b It is a major manufacturer of smartphones.

c It is a state-owned Chinese company.

d It is seen as a risk to national security by the US government.

2 Which of the following is **not** a ‘triad’ country?

a Japan

b China

c US

d Germany

3 Which of the following are among the main exports of sub-Saharan African countries?

a Natural resources

b Manufactured goods

c Services

d High-tech products

4 Who put forward the theory of comparative advantage?

a Adam Smith

b David Ricardo

c Raymond Vernon

d Michael Porter

5 What is the aim of protectionism as a trade policy?

a To increase competition

b To lower prices for consumers

c To encourage domestic producers

d To encourage imports

6 What does the WTO dispute settlement process provide?

a A means of negotiating trade agreements

b A means of settling a trade dispute between two countries

c A means of resolving trade wars between countries

d A means of punishing dumping practices

7 Why is the import of soya beans from the US important for China?

a Because the US is China’s only source of soya beans

b Because China prefers American soya beans over those from other countries

c Because China has not trade relations with other producers of soya beans

d Because soya beans are a major component of animal feed for China’s growing meat industry

9 Why did the Doha round of multilateral trade negotiations fail?

a Because the US blocked it

b Because India blocked it

c Because of irreconcilable differences among developed and developing countries

d Because the EU blocked it

9 What is a ‘common market’?

a Free movement of goods among member states

b Free movement of goods, labour and capital among member states

c Common external trade rules among member states

d Ever closer economic union among member states

10 What is the new name of NAFTA?

a The North America Free Trade Agreement

b The United States Regional Free Trade Agreement

c The United States-Mexico-Canada Free Trade Agreement

d The North America Common Market

**Chapter 8**

1 Which of the following was **not** a factor in the collapse of Carillion?

a It had too much debt.

b It took on too much risk.

c It negotiated too few government contracts.

d It engaged in businesses in which it had little expertise.

2 Which of the following is a Bretton Woods institution?

a The UN

b The European Central Bank

c The WTO

d The IMF

3 What is a ‘free-floating’ currency?

a A currency whose exchange rate is fixed by the government

b A currency whose exchange rate is determined in markets

c A convertible currency

d A currency that is not pegged to the US dollar

4 Which of the following stock exchanges enjoys the biggest IPOs by value?

a Shanghai

b Hong Kong

c Nasdaq

d New York

5 Which UK bank became effectively nationalized following the financial crisis, with the bulk of its shares owned by the government?

a Barclays Bank

b Lloyds Bank

c Royal Bank of Scotland

d HSBC

6 Which of the following has the largest government debt as a percentage of GDP?

a Japan

b Norway

c Germany

d UK

7 Hedge funds launched legal claims against Argentina to…

a obtain partial payment of bonds

b obtain payment of the full face value of bonds

c bring down the Argentine government

d drive Argentina into default

8 Which of the following was **not** a cause of the global financial crisis of 2008?

a Weaknesses in the Chinese banking system

b Excessive growth of derivatives markets

c US housing market crash

d Excessive household debt

9 Private equity investors are noted for …

a Their long-term vision of acquired companies

b Their short-term approach to acquired companies

c Their concern to reduce indebtedness of acquired companies

d Their concern for stakeholders

10 Quantitative easing is…

a Printing money

b Selling government bonds

c Policy of injecting money into the economy

d Printing money for the purchase of equities

**Chapter 9**

1 Which of the following jobs are least likely to be replaced by automation?

a Food preparation work

b Call centre work

c Warehouse work

d Managerial post

2 Which of the following helps developing countries to bridge the technology gap between themselves and developed countries?

a Attracting more foreign investors

b Using technology gained from FDI

c Attracting FDI that uses abundant low-cost labour

d Attracting foreign workers

3 Which of the following countries has the highest percentages of graduates?

a South Korea

b Turkey

c Germany

d US

4 The ‘unicorn’ company is…

a A private start-up company

b A start-up company worth $1 billion or more

c A high-tech company that has grown quickly

d A high-tech start-up funded by private investors

5 Which of the following is **not** among the benefits of owning a patent for an invention?

a It allows the owner exclusive rights over the invention indefinitely.

b The owner can license others to make the product.

c The owner can stop counterfeiters of the product.

d The owner can sell the patent.

6 The creator of which of the following would be eligible to apply for a patent?

a A film

b A logo

c A computer game

d A new cancer drug

7 What was the purpose of the TRIPS agreement?

a To benefit large MNEs in the pharmaceutical industry

b To allow developing countries to sell cheap medicines

c To provide IP protection that is harmonized across all countries

d To maintain high prices of medicines

8 Which of the following countries has more patent applications than any other?

a the US

b Japan

c China

d Germany

9 Technology transfer from FDI is likely to be beneficial to the host country in which of the following situations?

a Where there are lots of universities

b Where there is a high level of local technological ability

c Where only low-level technology is used by the investor

d Where there is weak IP protection

10 Apple’s revenues are mostly from…

a Apple Music

b Sales of iPhones

c Advertising

d Sales from the app Store

**Chapter 10**

1 Biodiversity is defined as…

a The habitats of living creatures

b The variety of living organisms in an area

c The plant diversity of an area

d The ability of an area to support wildlife

2 Which of the following is **not** a cause of deforestation?

a Felling trees for fuel

b Clearing forests for grazing animals

c Planting palm trees

d Clearing forests to grow crops

3 Which of the following countries has the highest level of greenhouse gas emissions?

a the US

b Russia

c India

d China

4 The Kyoto Protocol was groundbreaking because…

a It recognized climate change.

b It specified targets for reductions in greenhouse gas emissions.

c It achieved a consensus among all countries.

d It achieved a consensus among all developed countries.

5 The Paris accord aimed ambitiously to reduce global warming to…

a 3 degrees C

b 2 degrees C

c 1.5 degrees C

d 2.7 degrees C

6 Which of the following is the largest coal producer?

a China

b the US

c Australia

d India

7 Which of the following countries has the highest share of nuclear power generation?

a Germany

b China

c the UK

d France

8 How do the Sustainable Development Goals (SDGs) differ from the Millennium Development Goals (MDGs)?

a The SDGs have UN backing.

b The SDGs have NGO backing.

c The SDGs are more numerous and comprehensive.

d There are fewer of SDGs than MDGs.

9 Chevron has refused to clear up environmental contamination from oil extraction in which country?

a Colombia

b Ecuador

c Chile

d Mexico

10 Triple-bottom-line reporting includes…

a financial, social and environmental reporting

b corporate governance, financial and environmental reporting

c financial, legal and social reporting

d social, financial and ethical reporting

**Chapter 11**

1 Utilitarianism stands for all but one of the following principles. Which is the odd one out?

a Minimal governmental interference

b The greatest happiness of the greatest number

c Social justice

d Maximum individual liberty

2 Kant’s categorical imperative is based on…

a the principle that ethical rules vary between societies

b the principle that each person is an end, not a means to an end

c the principle that morality is universal

d the principle that people are inherently egoistic

3 The Universal Declaration of Human Rights (UDHR) dates from….

a 1956

b 1991

c 1948

d 1920

4 Which of the following is considered a ‘social right’?

a Right to a fair trial

b Freedom of speech

c Freedom from arbitrary arrest

d Right to healthcare

5 A ‘weak’ theory of corporate social responsibility (CSR) would include which of the following?

a Obeying the letter and spirit of the law

b Charitable giving

c Paying wages above the national minimum

d Adhering to environmental standards above the national minimum

6 Which of the following are primary stakeholders of a company?

a Employees of outsourcing companies

b Employees of subcontractors

c Employees of the company

d Employees of supplier companies

7 The UN Global Compact is between…

a companies, governments and the UN

b companies, the UN and NGOs

c governments, companies and NGOs

d the UN, global business leaders and governments

8 Which of the following corporate governance practices is in accord with CSR?

a Stakeholder representation on boards

b Non-voting shares

c Overpaid executives

d Insider control of the board

9 The social enterprise is…

a an SME that is not-for-profit

b between a for-profit business and a charity

c a not-for-profit enterprise

d a for-profit business in the social services sector

10 Which of the following statements about the Sackler family is false?

a Its main business is the pharmaceutical company, Purdue Pharma.

b It is a major philanthropic donor to cultural projects.

c It has been sued for wrongful marketing of addictive painkillers.

d It has not profited from the sales of addictive painkillers.

**Chapter 12**

1 Which company first identified and then drove the identification of the Coronavirus?

1 BioNTech

2 AstraZeneca

3 Abbotts laboratories

4 Pfizer?

2 What was the key driver of the very rapid spread of COVID19?

1 Global supply chains

2 Information technology

3 Universal global air travel

4 Economic growth?

3 Which of the following is the worst accelerator of pandemics and the spread of disease?

1 Universal global air travel

2 Crowded and cramped living environments

3 Mass urban travel and transit

4 Lack of adequate health care?

4 Which of the following is now the priority need to be invested in to ensure effective responses to future pandemics?

1 Economic growth

2 Sustainable approaches to environment management

3 Health care infrastructure and expertise

4 Research and development activities?

5 Which of the following aspects of the COVID crisis has continuing adverse effects on the economic environment?

1 Closure of businesses and loss of staff and expertise

2 Increased surveillance

3 Increases in use of local supply chains

4 Changes to online shopping and ecommerce?

6 Which of the following measures introduced during the COVID crisis has major economic, social and behavioural implications for all?

1 Working from home

2 Increased technology capacity

3 Development of health care initiatives

4 Vaccine programmes?

7 Which one of the following is not a symptom of increased political nationalism during a pandemic crisis?

1 Liberalising the economic environment

2 Restrictions on the freedom of the press

3 Increased surveillance and monitoring of social interactions

4 Trade and travel barriers?

8 Which of the following is not an advantage of working from home?

1 Loss of corporate cohesion in places of work

2 Reduced travel and commuting times

3 Reduced productivity

4 The work – life balance?

9 Which of the following sets of goals do the development of COVID and other vaccines deliver on?

1 Economic and political

2 Research and development

3 Social and political

4 Social and commercial?

10 What is the key political driver for ensuring ever more effective responses to pandemics and other global and international crises in the future?

1 Increased government spending

2 Reduced government spending

3 Increased nationalism and protectionism

4 Reduced nationalism and protectionism?

**Chapter 13**

1 What was the aim of the Glass-Steagall Act in the US?

a To regulate derivatives trading

b To set up the Securities and Exchange Commission

c To compel banks to separate their retail business from their investment business

d To make bankers liable for failed banks

2 All but which one of the following businesses have strong interests in opposing action on climate change?

a Fossil fuel businesses

b Chemical companies

c High-tech companies

d Agribusiness companies

3 Which of the following is characteristic of work in the gig economy?

a Workers have full entitlement to employment protection laws.

b Workers have paid holidays.

c Workers pay no income tax.

d Workers are classified as self-employed.

4 Sustainable growth is…

a Growth in long-term industries

b Economic growth that is inclusive of all in society

c Growth in employment

d Economic growth that enriches large companies

5 Which of the following has democratic institutions, but is authoritarian beneath the surface?

a Germany

b the US

c Turkey

d China

6 In which of the following area has the Chilean government prioritized opening up opportunities for all?

a Housing

b Jobs

c Business

d Education

7 Why are there fears that the textile factories in Bangladesh are becoming less safe?

a The factory owners are influential in government.

b The safety inspection accords signed by western manufacturers are coming to an end.

c The government has no factory inspectors.

d The trade unions in Bangladesh are government-controlled.

8 All but which one of the following is a risk posed to sustainability by agribusiness?

a Loss of rural livelihoods

b Loss of biodiversity

c Use of antibiotics in livestock

d Increase in crop yields

9 All but which one of the following is indicative of corruption between business and politics?

a A company funds a candidate’s campaign for office, knowing the candidate will promote its interests.

b A company pays for a holiday for a legislator.

c A legislator refuses to accept a holiday paid for by a corporate lobbyist.

d On leaving office, a legislator takes up a lucrative job with a company that has gained from government policies.

10 Why was Disney criticized over the Ariel doll?

a The doll was of poor quality.

b The doll was made by workers who suffered mistreatment.

c The doll was made in China.

d The company had a weak ethical policy.