

***International Business, 5e (Wild/Wild/Han)***

**Chapter 1 Globalization**

1) Globalization benefits YouTube by helping the company reach a global audience.

Answer: TRUE

Diff: 1 Page Ref: 3

Topic: AACSB: Use of IT

Objective: Chapter 1-LO1

2) Globalization does not affect a people's culture nor the way companies do business.

Answer: FALSE

Diff: 1 Page Ref: 4

Topic: AACSB: Multicultural and Diversity

Objective: Chapter 1-LO1

3) International business is any commercial transaction that crosses the borders of two or more nations.

Answer: TRUE

Diff: 1 Page Ref: 4

Objective: Chapter 1-LO1

4) Imports are goods and services purchased abroad and brought into a country.

Answer: TRUE

Diff: 1 Page Ref: 4

Objective: Chapter 1-LO1

5) Exporting is any business transaction that crosses the borders of two or more nations.

Answer: FALSE

Diff: 2 Page Ref: 4

Objective: Chapter 1-LO1

6) E-business (e-commerce) is the use of computer networks to purchase, sell, or exchange products, service customers, and collaborate with partners.

Answer: TRUE

Diff: 1 Page Ref: 4

Topic: AACSB: Use of IT

Objective: Chapter 1-LO1

7) Globalization is the trend toward greater economic, cultural, political, and technological interdependence among national institutions and economies.

Answer: TRUE

Diff: 1 Page Ref: 6

Topic: AACSB: Use of IT

Objective: Chapter 1-LO1

8) Denationalization refers to national boundaries becoming less relevant.

Answer: TRUE

Diff: 2 Page Ref: 6

Objective: Chapter 1-LO1

9) Internationalization refers to national boundaries becoming less relevant.

Answer: FALSE

Diff: 2 Page Ref: 6

Objective: Chapter 1-LO1

10) Products marketed in all countries essentially without any changes are called "international products."

Answer: FALSE

Diff: 3 Page Ref: 6

Objective: Chapter 1-LO1

11) Companies that sell global products can reduce costs by standardizing various aspects of their marketing activities.

Answer: TRUE

Diff: 2 Page Ref: 6

Topic: AACSB: Multicultural and Diversity

Objective: Chapter 1-LO1

12) A company that sells a global product can explore opportunities abroad if the home market is small or becomes saturated.

Answer: TRUE

Diff: 1 Page Ref: 6

Topic: AACSB: Multicultural and Diversity

Objective: Chapter 1-LO1

13) Globalization of production refers to convergence in buyer preferences in markets around the world.

Answer: FALSE

Diff: 2 Page Ref: 7

Topic: AACSB: Multicultural and Diversity

Objective: Chapter 1-LO1

14) Globalization creates new risks and accentuates old ones for companies because it exposes them to new threats as well as to new opportunities.

Answer: TRUE

Diff: 2 Page Ref: 8

Objective: Chapter 1-LO1

15) The General Agreement on Tariffs and Trade (GATT) was a treaty designed to promote free trade by reducing both tariffs and nontariff barriers to international trade.

Answer: TRUE

Diff: 1 Page Ref: 9

Objective: Chapter 1-LO2

16) Today, the institution of the General Agreement on Tariffs and Trade (GATT) continues to promote free trade.

Answer: FALSE

Diff: 2 Page Ref: 10

Objective: Chapter 1-LO2

17) The World Trade Organization (WTO) is the international organization that enforces the rules of international trade.

Answer: TRUE

Diff: 1 Page Ref: 10

Objective: Chapter 1-LO2

18) The power of the General Agreement on Tariffs and Trade (GATT) to settle trade disputes is what sets it apart from its predecessor, the World Trade Organization (WTO).

Answer: FALSE

Diff: 1 Page Ref: 10

Objective: Chapter 1-LO2

19) Because of its ability to penalize offending nations, the World Trade Organization (WTO) dispute settlement system truly is the spine of the global trading system.

Answer: TRUE

Diff: 1 Page Ref: 10

Objective: Chapter 1-LO2

20) Resistance to worldwide trade agreements is causing some nations to place greater emphasis on regional pacts.

Answer: TRUE

Diff: 1 Page Ref: 10

Objective: Chapter 1-LO2

21) Gross national product (GNP) is the value of all goods and services produced by a country during a one-month period, excluding income generated by both domestic production and the country's international activities.

Answer: FALSE

Diff: 2 Page Ref: 10

Topic: AACSB: Analytic Skills

Objective: Chapter 1-LO2

22) GDP or GNP per capita is a nation's GDP or GNP multiplied by its population.

Answer: FALSE

Diff: 2 Page Ref: 10

Objective: Chapter 1-LO2

23) Although falling barriers to trade and investment discourage globalization, technological innovation is accelerating the process.

Answer: FALSE

Diff: 2 Page Ref: 11

Topic: AACSB: Use of IT

Objective: Chapter 1-LO2

24) Videoconferencing provides access to a company's computer network from distant locations using personal computers.

Answer: FALSE

Diff: 2 Page Ref: 11

Topic: AACSB: Communication

Objective: Chapter 1-LO2

25) Businesses are using the Internet to sharpen their forecasting, lower their inventories, and improve communication with their suppliers.

Answer: TRUE

Diff: 1 Page Ref: 11

Topic: AACSB: Communication

Objective: Chapter 1-LO2

26) Intranets provide access to a company's computer network from distant locations using personal computers.

Answer: TRUE

Diff: 2 Page Ref: 11

Topic: AACSB: Communication

Objective: Chapter 1-LO2

27) Extranets give distributors and suppliers access to a company's database to place orders or restock inventories electronically and automatically.

Answer: TRUE

Diff: 2 Page Ref: 11

Topic: AACSB: Communication

Objective: Chapter 1-LO2

28) Innovation in the shipping industry is facilitating globalization by making shipping more efficient and dependable.

Answer: TRUE

Diff: 1 Page Ref: 11

Topic: AACSB: Use of IT

Objective: Chapter 1-LO2

29) One remarkable commonality among the world's least-global nations is their low levels of corruption.

Answer: FALSE

Diff: 2 Page Ref: 15

Objective: Chapter 1-LO2

30) Globalization may have added to nationalist sentiments and aggravated tensions between countries leading up to the First World War.

Answer: TRUE

Diff: 2 Page Ref: 16

Topic: AACSB: Reflective Thinking

Objective: Chapter 1-LO3

31) A "backlash to globalization" in the early 1800s helped usher in high tariffs and barriers to immigration.

Answer: FALSE

Diff: 2 Page Ref: 16

Objective: Chapter 1-LO3

32) The World Bank is an agency created to provide financing for national economic development efforts.

Answer: TRUE

Diff: 2 Page Ref: 16

Objective: Chapter 1-LO3

33) The International Monetary Fund (IMF) is an agency created to regulate fixed exchange rates and enforce the rules of the international monetary system.

Answer: TRUE

Diff: 2 Page Ref: 16

Objective: Chapter 1-LO3

34) The political agenda of an organization does not generally influence its claims and findings on the beneficial or harmful effects of globalization.

Answer: FALSE

Diff: 2 Page Ref: 17

Topic: AACSB: Ethical Reasoning; Reflective Thinking

Objective: Chapter 1-LO3

35) Critics of globalization argue that it eliminates jobs and lowers wages in developed nations and exploits workers in developing countries.

Answer: TRUE

Diff: 2 Page Ref: 17

Topic: AACSB: Ethical Reasoning; Reflective Thinking

Objective: Chapter 1-LO3

36) Globalization critics claim that it eliminates manufacturing jobs in developed nations.

Answer: TRUE

Diff: 2 Page Ref: 17

Objective: Chapter 1-LO3

37) Critics charge that globalization and international outsourcing exploit workers in low-wage nations.

Answer: TRUE

Diff: 1 Page Ref: 18

Topic: AACSB: Ethical Reasoning; Reflective Thinking

Objective: Chapter 1-LO3

38) Pro-globalization economists believe globalization decreases wealth and efficiency in both developed and developing nations.

Answer: FALSE

Diff: 2 Page Ref: 18

Objective: Chapter 1-LO3

39) Openness to international trade allows a nation's businesses to become more efficient and pass the resulting savings on to consumers.

Answer: TRUE

Diff: 1 Page Ref: 18

Topic: AACSB: Analytic Skills

Objective: Chapter 1-LO3

40) Globalization defenders believe globalization creates positive benefits by reducing labor market flexibility in developed nations.

Answer: FALSE

Diff: 2 Page Ref: 18

Objective: Chapter 1-LO3

41) Globalization supporters believe that benefits result from worker dislocation, or "churning" as it is called when there is widespread job turnover throughout an economy.

Answer: TRUE

Diff: 3 Page Ref: 18

Objective: Chapter 1-LO3

42) Flexible labor markets allow workers to be redeployed rapidly to sectors of the economy where they are highly valued and in demand.

Answer: TRUE

Diff: 2 Page Ref: 18

Objective: Chapter 1-LO3

43) Globalization opponents argue that globalization and international outsourcing help to advance developing nations' economies.

Answer: FALSE

Diff: 2 Page Ref: 18

Topic: AACSB: Analytic Skills

Objective: Chapter 1-LO3

44) Both supporters and critics of globalization appear to agree that it causes dislocation in labor markets.

Answer: TRUE

Diff: 2 Page Ref: 19

Objective: Chapter 1-LO3

45) Critics of globalization believe the overall gains that may accrue to national economies are worth the lost livelihoods that individuals may suffer.

Answer: FALSE

Diff: 3 Page Ref: 19

Objective: Chapter 1-LO3

46) Results of studies support critics' allegations that economic openness and foreign investment contribute to lower labor standards.

Answer: FALSE

Diff: 2 Page Ref: 19

Topic: AACSB: Multicultural and Diversity

Objective: Chapter 1-LO3

47) Opponents to globalization argue that it causes a "race to the bottom" in environmental conditions and regulations.

Answer: TRUE

Diff: 2 Page Ref: 19

Objective: Chapter 1-LO3

48) Opponents to globalization say that it allows international firms to exploit local labor and the environment, and then simply export their goods back to the home country.

Answer: TRUE

Diff: 2 Page Ref: 19

Topic: AACSB: Ethical Reasoning; Reflective Thinking

Objective: Chapter 1-LO3

49) Few international firms support reasonable labor and environmental laws because future local markets for their goods and services are likely to be small.

Answer: FALSE

Diff: 2 Page Ref: 19

Topic: AACSB: Multicultural and Diversity

Objective: Chapter 1-LO3

50) Some countries have advanced their economies by harnessing the forces of globalization, while others have not.

Answer: TRUE

Diff: 2 Page Ref: 21

Objective: Chapter 1-LO3

51) In the debate over inequality, studies suggest that developing nations are unable to boost incomes of their poorest members of society by integrating themselves into the global economy.

Answer: FALSE

Diff: 3 Page Ref: 22

Topic: AACSB: Ethical Reasoning; Reflective Thinking

Objective: Chapter 1-LO3

52) In the debate over inequality, poor nations open to world trade and investment appear to grow faster than rich nations.

Answer: TRUE

Diff: 2 Page Ref: 22

Topic: AACSB: Ethical Reasoning; Reflective Thinking

Objective: Chapter 1-LO3

53) Although studies tend to conclude that global inequality has risen in recent decades, they differ on the extent of the rise in global poverty.

Answer: FALSE

Diff: 2 Page Ref: 22

Topic: AACSB: Ethical Reasoning; Reflective Thinking

Objective: Chapter 1-LO3

54) Globalization supporters argue that one of the most amazing consequences of globalization has been the spread of democracy worldwide.

Answer: TRUE

Diff: 1 Page Ref: 23

Topic: AACSB: Multicultural and Diversity

Objective: Chapter 1-LO3

55) National culture is a weak shaper of a people's values, attitudes, customs, beliefs, and communication styles.

Answer: FALSE

Diff: 1 Page Ref: 23

Topic: AACSB: Multicultural and Diversity

Objective: Chapter 1-LO3

56) Globalization supporters argue that it allows us all to profit from our differing circumstances and skills.

Answer: TRUE

Diff: 1 Page Ref: 23

Topic: AACSB: Multicultural and Diversity

Objective: Chapter 1-LO3



57) Globalization protesters complain that it is homogenizing our world and destroying the rich diversity of cultures it contains.

Answer: TRUE

Diff: 1 Page Ref: 23

Topic: AACSB: Multicultural and Diversity

Objective: Chapter 1-LO3

58) Although globalization may cause political and economic ideologies to diverge, deeper elements of culture may not be as easily affected.

Answer: FALSE

Diff: 3 Page Ref: 24

Topic: AACSB: Multicultural and Diversity

Objective: Chapter 1-LO3

59) A business that has direct investments abroad in multiple countries is called a multinational corporation (MNC).

Answer: TRUE

Diff: 1 Page Ref: 24

Objective: Chapter 1-LO4

60) Large companies from the least developed nations dominate international business.

Answer: FALSE

Diff: 2 Page Ref: 24

Objective: Chapter 1-LO4

61) It is common for large companies' business deals such as mergers and acquisitions to be valued in the trillions of dollars.

Answer: FALSE

Diff: 2 Page Ref: 24

Objective: Chapter 1-LO4

62) Although multinational corporations are economically very powerful, the revenue of the world's largest business is still far below the gross domestic product of the smallest nation.

Answer: FALSE

Diff: 2 Page Ref: 25

Topic: AACSB: Reflective Thinking

Objective: Chapter 1-LO4

63) Technology makes the world market more accessible for companies that sell traditional products by lessening the cost and difficulties associated with global communication.

Answer: TRUE

Diff: 1 Page Ref: 25

Topic: AACSB: Communication

Objective: Chapter 1-LO4

64) A born global firm is a company that adopts a global perspective and engages in international business from or near its inception.

Answer: TRUE

Diff: 2 Page Ref: 25

Objective: Chapter 1-LO4

65) Research has found that only large companies can export successfully.

Answer: FALSE

Diff: 1 Page Ref: 26

Topic: AACSB: Analytic Skills

Objective: Chapter 1-LO4

66) There is very little or no export financing available for small businesses.

Answer: FALSE

Diff: 1 Page Ref: 26

Objective: Chapter 1-LO4

67) The most obvious difference between domestic and international business is that international business occurs between two or more nations that can have entirely different societies and commercial environments.

Answer: TRUE

Diff: 1 Page Ref: 26

Objective: Chapter 1-LO5

68) International business occurs within a dynamic, integrated system that weaves together four distinct elements.

Answer: TRUE

Diff: 2 Page Ref: 26

Objective: Chapter 1-LO5

69) Although globalization is a potent force, it still does not transform our societies and commercial activities.

Answer: FALSE

Diff: 2 Page Ref: 27

Objective: Chapter 1-LO5

70) The dynamic nature of globalization creates increasing competition for all companies everywhere, as managers begin to see the entire world as an opportunity.

Answer: TRUE

Diff: 1 Page Ref: 27

Topic: AACSB: Analytic Skills

Objective: Chapter 1-LO5

71) Each national business environment is composed of unique cultural, political, legal, and economic characteristics that define business activity within that nation's borders.

Answer: TRUE

Diff: 1 Page Ref: 27

Objective: Chapter 1-LO5

72) Some businesses can become completely immune to all events in the international business environment.

Answer: FALSE

Diff: 2 Page Ref: 27

Objective: Chapter 1-LO5

73) Today, it is very rare for a business to search simultaneously for production bases and markets.

Answer: FALSE

Diff: 2 Page Ref: 27

Topic: AACSB: Multicultural and Diversity

Objective: Chapter 1-LO5

74) The characteristics of national business environments define the context of international business management.

Answer: TRUE

Diff: 2 Page Ref: 27

Objective: Chapter 1-LO5

75) Highly centralized production and marketing activities mean that businesses today seldom interact with people in distant locations within the international business environment.

Answer: FALSE

Diff: 2 Page Ref: 27

Topic: AACSB: Communication; Multicultural and Diversity

Objective: Chapter 1-LO5

76) The integrating power of globalization forces managers and their firms to be knowledgeable about the nations in which they operate.

Answer: TRUE

Diff: 1 Page Ref: 28

Objective: Chapter 1-LO5

77) Globalization benefits companies by allowing them to sell the same products worldwide with little or no \_\_\_\_\_.

- A) standardization
- B) modification
- C) exportation
- D) advertising

Answer: B

Diff: 2 Page Ref: 4

Topic: AACSB: Use of IT

Objective: Chapter 1-LO1

78) All goods and services purchased abroad and brought into a country are called \_\_\_\_\_.

- A) gross domestic product (GDP)
- B) exports
- C) foreign trade
- D) imports

Answer: D

Diff: 1 Page Ref: 4

Objective: Chapter 1-LO1

79) \_\_\_\_\_ is(are) any commercial transaction(s) that cross(es) the borders of two or more nations.

- A) Exports
- B) Gross national product (GNP)
- C) International business
- D) Imports

Answer: C

Diff: 1 Page Ref: 4

Objective: Chapter 1-LO1

80) \_\_\_\_\_ is (are) all goods and services sold abroad and sent out of a country.

- A) Necessities
- B) Exports
- C) Global licensing
- D) Imports

Answer: B

Diff: 2 Page Ref: 4

Objective: Chapter 1-LO1

81) The total value of goods and services exported by all nations each year is \_\_\_\_\_.

- A) nearly \$15 trillion
- B) around \$16 trillion
- C) less than \$9 trillion
- D) more than \$36 trillion

Answer: A

Diff: 3      Page Ref: 4

Topic: AACSB: Reflective Thinking

Objective: Chapter 1-LO1

82) \_\_\_\_\_ is the use of computer networks to purchase, sell, or exchange products, service customers, and collaborate with partners.

- A) E-business (e-commerce)
- B) Intranet
- C) International business
- D) Extranet

Answer: A

Diff: 2      Page Ref: 4

Topic: AACSB: Communication

Objective: Chapter 1-LO1

83) \_\_\_\_\_ is the trend toward greater economic, cultural, political, and technological interdependence among national institutions and economies.

- A) International business
- B) Market entry strategy
- C) Globalization
- D) E-business

Answer: C

Diff: 1      Page Ref: 6

Topic: AACSB: Use of IT

Objective: Chapter 1-LO1

84) Globalization is the trend toward greater economic, cultural, \_\_\_\_\_, and \_\_\_\_\_ interdependence among national institutions and economies.

- A) regional; national
- B) temporary; mutual
- C) domestic; international
- D) political; technological

Answer: D

Diff: 3      Page Ref: 6

Topic: AACSB: Use of IT

Objective: Chapter 1-LO1

85) \_\_\_\_\_ refers to convergence in buyer preferences in markets around the world.

- A) Homogenization of markets
- B) Globalization of markets
- C) Internationalization of markets
- D) Denationalization of markets

Answer: B

Diff: 2 Page Ref: 6

Topic: AACSB: Multicultural and Diversity

Objective: Chapter 1-LO1

86) Globalization is the trend characterized by \_\_\_\_\_ (national boundaries becoming less relevant), and is different from \_\_\_\_\_ (entities cooperating across national boundaries).

- A) political integration; technological advances
- B) globalization of production; globalization of markets
- C) internationalization; denationalization
- D) denationalization; internationalization

Answer: D

Diff: 3 Page Ref: 6

Topic: AACSB: Multicultural and Diversity

Objective: Chapter 1-LO1

87) Denationalization refers to \_\_\_\_\_.

- A) a loss of sovereignty in markets
- B) national boundaries becoming less relevant
- C) cooperation between national actors to reduce trade barriers
- D) the total elimination of borders between nations

Answer: B

Diff: 2 Page Ref: 6

Objective: Chapter 1-LO1

88) \_\_\_\_\_ are products marketed in all countries essentially without any changes.

- A) National products
- B) Adapted products
- C) Global products
- D) National services

Answer: C

Diff: 1 Page Ref: 6

Objective: Chapter 1-LO1

- 89) The globalization of markets benefits companies by \_\_\_\_\_.  
A) reducing costs through the standardization of marketing activities  
B) strengthening national sovereignty  
C) creating new market opportunities  
D) both A and C  
E) all of the above

Answer: D

Diff: 3 Page Ref: 6

Objective: Chapter 1-LO1

- 90) The dispersal of production activities to locations that help a company achieve its cost-minimization or quality-maximization objectives for a good or service is known as \_\_\_\_\_.  
A) importing  
B) globalization of production  
C) global strategy  
D) globalization of markets

Answer: B

Diff: 2 Page Ref: 7

Topic: AACSB: Analytic Skills

Objective: Chapter 1-LO1

- 91) Whereas relocating production to low-cost locales traditionally meant production of \_\_\_\_\_ almost exclusively, it increasingly applies to the production of \_\_\_\_\_.  
A) services; goods  
B) extranets; intranets  
C) goods; services  
D) mobile phones; backpacks

Answer: C

Diff: 3 Page Ref: 8

Objective: Chapter 1-LO1

- 92) The globalization of production benefits companies by allowing them to \_\_\_\_\_.  
A) access lower-cost workers  
B) access production inputs  
C) access technical expertise  
D) level uneven income streams  
E) A, B, and C

Answer: E

Diff: 2 Page Ref: 8

Objective: Chapter 1-LO1

93) New challenges created by the globalization of markets and production force companies to pay increased attention to their \_\_\_\_\_.

- A) physical facilities
- B) information systems
- C) reputations
- D) all of the above

Answer: D

Diff: 3      Page Ref: 9

Objective: Chapter 1-LO1

94) Two major forces that underlie the expansion of globalization are \_\_\_\_\_ and \_\_\_\_\_.

- A) visa regulations; declining tourism
- B) trademarks; patents
- C) trade barriers; political unrest
- D) falling barriers to trade and investment; technological innovation

Answer: D

Diff: 2      Page Ref: 8

Topic: AACSB: Use of IT

Objective: Chapter 1-LO2

95) A major flaw of the original General Agreement on Tariffs and Trade (GATT) was that it lacked the power to \_\_\_\_\_.

- A) erect barriers to trade
- B) dismantle bilateral trade agreements
- C) govern exchange rates
- D) enforce world trade rules

Answer: D

Diff: 2      Page Ref: 10

Topic: AACSB: Reflective Thinking

Objective: Chapter 1-LO2

96) Three main goals of the \_\_\_\_\_ are to help the free flow of trade, help negotiate the further opening of markets, and settle trade disputes between its members.

- A) General Agreement on Tariffs and Trade (GATT)
- B) World Trade Organization (WTO)
- C) World Bank
- D) International Monetary Fund (IMF)

Answer: B

Diff: 2      Page Ref: 10

Objective: Chapter 1-LO2



97) A group of nations smaller than the World Trade Organization (WTO) but still committed to fostering trade and boosting cross-border investment is the \_\_\_\_\_.

- A) North American Free Trade Agreement (NAFTA)
- B) European Union (EU)
- C) Organization of Petroleum Exporting Countries (OPEC)
- D) both A and B

Answer: D

Diff: 3      Page Ref: 10

Objective: Chapter 1-LO2

98) The value of all goods and services produced by a country's domestic and international activities over a one-year period is called \_\_\_\_\_.

- A) gross domestic product (GDP)
- B) imports and exports (IAE)
- C) gross national product (GNP)
- D) globalization of production (GOP)

Answer: C

Diff: 2      Page Ref: 10

Objective: Chapter 1-LO2

99) \_\_\_\_\_ give distributors and suppliers access to a company's database to place orders or restock inventories electronically and automatically.

- A) Intranets
- B) Videoconferencing
- C) Extranets
- D) Hackers

Answer: C

Diff: 2      Page Ref: 11

Topic: AACSB: Communication

Objective: Chapter 1-LO2

100) Advancements in \_\_\_\_\_ and \_\_\_\_\_ are helping to globalize markets and production activities.

- A) human resource management; international security
- B) information technologies; transportation methods
- C) establishing trade barriers; slower economic growth
- D) all of the above

Answer: B

Diff: 3      Page Ref: 11

Topic: AACSB: Use of IT

Objective: Chapter 1-LO2

101) In measuring globalization, a factor that makes some countries more global than others is \_\_\_\_\_.

- A) economic integration
- B) personal contact
- C) technological connectivity
- D) political engagement
- E) all of the above

Answer: E

Diff: 1 Page Ref: 14

Topic: AACSB: Use of IT

Objective: Chapter 1-LO2

102) Barriers facing some of the world's "least global" nations include \_\_\_\_\_.

- A) never-ending political unrest and corruption
- B) recurring droughts
- C) volatile prices on commodity markets
- D) terrorism
- E) all of the above

Answer: E

Diff: 1 Page Ref: 15

Topic: AACSB: Reflective Thinking

Objective: Chapter 1-LO2

103) The \_\_\_\_\_ tends to capture the broad nature of globalization.

- A) Failed States Index
- B) Globalization Index
- C) Political Risk Index
- D) Human Development Index

Answer: B

Diff: 1 Page Ref: 15

Objective: Chapter 1-LO2

104) There was a first age of globalization that extended from \_\_\_\_\_.

- A) the mid-1700s to the 1850s
- B) the mid-1800s to the 1920s
- C) 1920 to 1950
- D) 1960 to 2000

Answer: B

Diff: 3 Page Ref: 15

Objective: Chapter 1-LO3

105) The first age of globalization was abruptly halted by the arrival of the \_\_\_\_\_.

- A) First World War
- B) Russian Revolution
- C) Great Depression
- D) Second World War
- E) A, B, and C

Answer: E

Diff: 2      Page Ref: 16

Objective: Chapter 1-LO3

106) For 75 years, from the start of the First World War to the end of the Cold War, there was a geographic divide between \_\_\_\_\_, and an ideological divide between \_\_\_\_\_.

- A) North and South; protectionism and socialism
- B) North and South; regionalism and globalization
- C) East and West; regionalism and globalization
- D) East and West; communism and capitalism

Answer: D

Diff: 3      Page Ref: 16

Topic: AACSB: Reflective Thinking

Objective: Chapter 1-LO3

107) The \_\_\_\_\_ is an agency created to provide financing for national economic development efforts.

- A) International Monetary Fund
- B) World Trade Organization
- C) European Union
- D) World Bank

Answer: D

Diff: 2      Page Ref: 16

Objective: Chapter 1-LO3

108) Many groups opposed to globalization complain that it \_\_\_\_\_.

- A) costs jobs
- B) lowers labor and environmental regulations
- C) increases income inequality
- D) reduces individuals' political say
- E) all of the above

Answer: E

Diff: 1      Page Ref: 17

Topic: AACSB: Ethical Reasoning; Reflective Thinking

Objective: Chapter 1-LO3

109) The \_\_\_\_\_ is an agency created to regulate fixed exchange rates and enforce the rules of the international monetary system.

- A) International Monetary Fund
- B) World Trade Organization
- C) European Union
- D) World Bank

Answer: A

Diff: 1      Page Ref: 16

Objective: Chapter 1-LO3

110) Opponents to globalization argue that it \_\_\_\_\_.

- A) eliminates jobs in developed nations
- B) lowers wages in developed nations
- C) exploits workers in developing countries
- D) all of the above

Answer: D

Diff: 3      Page Ref: 17

Topic: AACSB: Ethical Reasoning; Reflective Thinking

Objective: Chapter 1-LO3

111) Opposition groups say \_\_\_\_\_ causes worker dislocation that results in a gradual ratcheting-down of wages.

- A) denationalization
- B) globalization
- C) internationalization
- D) nationalism

Answer: B

Diff: 2      Page Ref: 17

Objective: Chapter 1-LO3

112) Supporters of globalization argue that it \_\_\_\_\_.

- A) increases wealth and efficiency in all nations
- B) generates labor market flexibility in developed nations
- C) helps advance developing nations' economies
- D) all of the above

Answer: D

Diff: 3      Page Ref: 18

Objective: Chapter 1-LO3

113) A main difference between the two sides in the globalization debate is whether overall gains that may accrue to \_\_\_\_\_ are worth the lost livelihoods that \_\_\_\_\_ may suffer.

- A) some industries; organizations
- B) national economies; individuals
- C) certain businesses; geographic regions
- D) individuals; national economies

Answer: B

Diff: 3 Page Ref: 19

Topic: AACSB: Ethical Reasoning; Reflective Thinking

Objective: Chapter 1-LO3

114) Trade unions claim that by permitting international firms to continually move to nations with relatively lower labor standards, globalization \_\_\_\_\_ labor's bargaining power and forces overall labor standards \_\_\_\_\_.

- A) strengthens; to improve
- B) slows down; abroad
- C) reduces; lower
- D) increases; higher

Answer: C

Diff: 3 Page Ref: 19

Topic: AACSB: Ethical Reasoning; Reflective Thinking

Objective: Chapter 1-LO3

115) A special region in which companies can engage in tariff-free importing and exporting is called a(n) \_\_\_\_\_.

- A) regional economic integration zone (REIZ)
- B) U.S. customs zone (USCZ)
- C) export-processing zone (EPZ)
- D) free trade area (FTA)

Answer: C

Diff: 3 Page Ref: 19

Objective: Chapter 1-LO3

116) Globalization critics say it causes a "race to the \_\_\_\_\_" in environmental conditions and regulations.

- A) end
- B) top
- C) middle
- D) bottom
- E) finish

Answer: D

Diff: 1 Page Ref: 19

Topic: AACSB: Ethical Reasoning; Reflective Thinking

Objective: Chapter 1-LO3

117) A key to international success for global managers is to \_\_\_\_\_.

- A) know the customer
- B) emphasize global awareness
- C) develop world-class products
- D) market products effectively
- E) all of the above

Answer: E

Diff: 2 Page Ref: 20

Topic: AACSB: Multicultural and Diversity

Objective: Chapter 1-LO3

118) The three main branches of the debate over income inequality are \_\_\_\_\_.

- A) inequality surrounding nations, inequality regarding nations, and global equality
- B) inequality within nations, inequality between nations, and global inequality
- C) equality among nations, equality between nations, and regional inequality
- D) equality within nations, equality between nations, and local equality

Answer: B

Diff: 3 Page Ref: 20

Topic: AACSB: Ethical Reasoning; Reflective Thinking

Objective: Chapter 1-LO3

119) National sovereignty generally involves the idea that a nation-state \_\_\_\_\_.

- A) is autonomous
- B) can freely select its government
- C) cannot intervene in the affairs of other nations
- D) can control movements across its borders
- E) all of the above

Answer: E

Diff: 3 Page Ref: 22

Topic: AACSB: Multicultural and Diversity

Objective: Chapter 1-LO3

120) Those opposed to globalization say that it \_\_\_\_\_ democracy, while those favoring globalization say that it \_\_\_\_\_ democracy worldwide.

- A) undercuts; spreads
- B) strengthens; bolsters
- C) supports; undercuts
- D) augments; hinders

Answer: A

Diff: 2 Page Ref: 22

Objective: Chapter 1-LO3

121) Globalization \_\_\_\_\_ argue that it allows us all to profit from our differing circumstances and skills.

- A) supporters
- B) critics
- C) theories
- D) both A and B

Answer: A

Diff: 2 Page Ref: 23

Topic: AACSB: Multicultural and Diversity

Objective: Chapter 1-LO3

122) A business that has direct investments (in the form of marketing or manufacturing subsidiaries) abroad in multiple countries is called a \_\_\_\_\_.

- A) born global firm
- B) multinational corporation
- C) multi-regional company
- D) direct exporter

Answer: B

Diff: 1 Page Ref: 24

Objective: Chapter 1-LO4

123) The world's largest company, Wal-Mart, has \_\_\_\_\_ employees.

- A) nearly 3 million
- B) about 800,000
- C) about 2 million
- D) nearly 200,000

Answer: C

Diff: 3 Page Ref: 24

Objective: Chapter 1-LO4

124) In this current age of globalization, small companies are increasingly active in international \_\_\_\_\_ and \_\_\_\_\_.

- A) politics; trade
- B) security; culture
- C) trade; investment
- D) jobs; wages

Answer: C

Diff: 2 Page Ref: 25

Objective: Chapter 1-LO4

125) In this current age of globalization, companies are \_\_\_\_\_ earlier and \_\_\_\_\_ faster, often with help from technology.

- A) downsizing; creating Web sites
- B) exporting; growing
- C) producing; experimenting
- D) hiring; downsizing

Answer: B

Diff: 3 Page Ref: 25

Topic: AACSB: Use of IT

Objective: Chapter 1-LO4

126) \_\_\_\_\_ makes the world market more accessible for companies that sell traditional products by lessening the cost and difficulties associated with global communication.

- A) Technology
- B) Merger-mania
- C) Licensing
- D) Financial capital

Answer: A

Diff: 2 Page Ref: 25

Topic: AACSB: Communication

Objective: Chapter 1-LO4

127) Key characteristics of born global firms are an \_\_\_\_\_ and knowledge-based organizational capabilities.

- A) inventive R&D center
- B) insular management style
- C) integrated global network
- D) innovative culture

Answer: D

Diff: 2 Page Ref: 25

Objective: Chapter 1-LO4

128) Key characteristics of a \_\_\_\_\_ are an innovative culture and knowledge-based organizational capability.

- A) developed nation
- B) born global firm
- C) homogeneous company
- D) globally diverse firm

Answer: B

Diff: 2 Page Ref: 25

Topic: AACSB: Multicultural and Diversity

Objective: Chapter 1-LO4



129) As modeled in your text, the "global business environment" consists of four distinct elements: globalization, national business environments, the international business environment, and \_\_\_\_\_.

- A) falling trade and investment barriers
- B) international firm management
- C) technological innovation
- D) multinational corporations

Answer: B

Diff: 3 Page Ref: 26

Objective: Chapter 1-LO5

130) \_\_\_\_\_ is the dynamic force transforming our societies and commercial activities and causing increased competition for all firms.

- A) Consumerism
- B) Globalization
- C) Logistics
- D) Nature

Answer: B

Diff: 1 Page Ref: 27

Objective: Chapter 1-LO5

131) Separate \_\_\_\_\_ are composed of unique cultural, political, legal, and economic characteristics that define business activity within that nation's borders.

- A) national business environments
- B) drivers of globalization
- C) international business environments
- D) industries

Answer: A

Diff: 3 Page Ref: 27

Objective: Chapter 1-LO5

132) \_\_\_\_\_ differ(s) from management of a purely domestic firm in nearly all respects.

- A) National business environments
- B) Globalization
- C) International business environment
- D) International firm management

Answer: D

Diff: 3 Page Ref: 27

Objective: Chapter 1-LO5

Scenario: Tacky Toys and Mushi Toys

Tacky Toys, a U.S.-based toy retailer, buys all its merchandise from Mushi Toys, a Japan-based toy manufacturer with production facilities in 12 nations. Mushi Toys markets its toys globally without modification.

133) Tacky Toys buying its merchandise from Mushi Toys is called \_\_\_\_\_.

- A) importing
- B) bartering
- C) exporting
- D) globalization

Answer: A

Diff: 1      Page Ref: 4

Objective: Chapter 1-LO1

134) Mushi Toys selling its products to Tacky Toys is called \_\_\_\_\_.

- A) importing
- B) bartering
- C) exporting
- D) globalization

Answer: C

Diff: 1      Page Ref: 4

Objective: Chapter 1-LO1

135) The products that Mushi Toys manufactures are best described as \_\_\_\_\_.

- A) global products
- B) Internet products
- C) value-added exports
- D) tangible products

Answer: A

Diff: 1      Page Ref: 6

Objective: Chapter 1-LO1

136) Mushi Toys is best described as a(n) \_\_\_\_\_.

- A) domestic company
- B) multinational company
- C) direct exporter
- D) Internet-based company

Answer: B

Diff: 1      Page Ref: 24

Objective: Chapter 1-LO4

Scenario: Donna Bader, Global Executive

Donna Bader is a successful global business executive with 15 years marketing experience throughout Europe. Donna is participating in a forum designed to prepare young executives for their initial forays into international business.

137) According to Donna, a key to success in global markets is having detailed knowledge of what international customers want, and ensuring that the company is flexible enough to customize products to meet those needs. Donna is referring to the notion of \_\_\_\_\_.

- A) improving logistics
- B) knowing how to analyze a problem
- C) marketing effectively
- D) knowing the customer

Answer: D

Diff: 2      Page Ref: 20

Topic: AACSB: Multicultural and Diversity

Objective: Chapter 1-LO3

138) Which of the following statements would Donna argue AGAINST?

- A) Successful managers know that customers everywhere demand reliability
- B) Successful managers start out with a solution to any problem
- C) Logistics is becoming crucial for large international companies
- D) Successful managers know their customers extremely well

Answer: B

Diff: 2      Page Ref: 20

Topic: AACSB: Analytic Skills

Objective: Chapter 1-LO3

139) Suppose a company wanted to improve its ability to efficiently procure raw materials, supply components to manufacturing, and deliver products to customers in a timely fashion. Donna would advise this company to \_\_\_\_\_.

- A) emphasize global awareness
- B) know its customers
- C) know how to analyze a problem
- D) improve logistics

Answer: D

Diff: 1      Page Ref: 20

Objective: Chapter 1-LO3

140) Donna believes that to be successful globally a company must design and build products and services for export from the beginning, not as an afterthought following the conquest of domestic markets. We can say that Donna believes companies should \_\_\_\_\_.

- A) know their customers
- B) emphasize global awareness
- C) develop world-class products
- D) market effectively

Answer: B

Diff: 3 Page Ref: 20

Topic: AACSB: Multicultural and Diversity

Objective: Chapter 1-LO3

Scenario: Jeans, Unlimited

Jeans, Unlimited produces clothing for young adults. It designs its clothes at its New York headquarters, and produces them at facilities in two Southeast Asian countries. The company recently received negative press after one of its facilities was found using questionable, albeit legal, labor practices including employing child labor and operating in a manner that damages the environment.

141) The facilities that Jeans, Unlimited operates in Southeast Asia are examples of \_\_\_\_\_.

- A) global products
- B) international business
- C) the globalization of markets
- D) the globalization of production

Answer: D

Diff: 2 Page Ref: 8

Objective: Chapter 1-LO1

142) Which of the following arguments against globalization would best apply to the situation in which Jeans, Unlimited finds itself?

- A) Globalization creates jobs and boosts wages in developed and developing nations
- B) Globalization empowers supranational institutions at the expense of national governments
- C) Globalization causes companies to produce in nations having the least strict labor and environmental regulations
- D) Globalization is widening the gap in average incomes between rich and poor nations

Answer: C

Diff: 2 Page Ref: 19

Topic: AACSB: Ethical Reasoning; Reflective Thinking

Objective: Chapter 1-LO3

143) Jeans, Unlimited has designed a new line of accessories and must build a new facility to produce them. To avoid paying tariffs when importing raw materials for processing and when exporting finished goods, the company should consider locating its assembly plant in a(n)

- \_\_\_\_\_.
- A) developing country
- B) export processing zone
- C) tariff-free environment
- D) import processing zone

Answer: B

Diff: 2 Page Ref: 19

Topic: AACSB: Analytic Skills

Objective: Chapter 1-LO3

Scenario: Sabrina's Spices & Sauces

Last year, Sabrina Shin started a business selling all types of spices and hot sauces. The business is small but this entrepreneur's dreams are big. Given limited demand and sales fluctuations in the domestic market, Sabrina has been considering going international. Yet she has little information, many doubts, and no guidance.

144) Which of the following can help Sabrina reach consumers in different corners of the world faster and cheaper?

- A) Intranet
- B) Extranet
- C) Salespeople in every nation
- D) Internet

Answer: D

Diff: 1 Page Ref: 11

Topic: AACSB: Communication

Objective: Chapter 1-LO2

145) If you were to advise Sabrina on the myths versus facts of exporting, which of the following would you say is a fact?

- A) Only large companies can export successfully
- B) Sabrina's products do not need export licensing
- C) Small businesses have no place to turn for export advice
- D) There is no export financing available for Sabrina's business
- E) All of the above

Answer: B

Diff: 2 Page Ref: 26

Topic: AACSB: Reflective Thinking

Objective: Chapter 1-LO4

146) If Sabrina needs \$500,000 to expand her business internationally, which of the following organizations might be her best bet?

- A) Export-Import Bank
- B) World Trade Organization
- C) Small Business Administration
- D) Friends

Answer: C

Diff: 3 Page Ref: 26

Objective: Chapter 1-LO4

147) Which of the following can offer expert advice to Sabrina and is a comprehensive resource for information on federal export-assistance programs?

- A) Trade and Development Agency
- B) World Trade Organization
- C) Export-Import Bank
- D) GATT

Answer: A

Diff: 3 Page Ref: 26

Objective: Chapter 1-LO4

148) \_\_\_\_\_ is any commercial transaction that crosses the borders of two or more nations.

Answer: International business

Diff: 1 Page Ref: 4

Objective: Chapter 1-LO1

149) Goods and services purchased abroad and brought into a country are called \_\_\_\_\_.

Answer: imports

Diff: 1 Page Ref: 4

Objective: Chapter 1-LO1

150) Goods and services sold abroad and sent out of a country are called \_\_\_\_\_.

Answer: exports

Diff: 1 Page Ref: 4

Objective: Chapter 1-LO1

151) \_\_\_\_\_ is the use of computer networks to purchase, sell, or exchange products, service customers, and collaborate with partners.

Answer: E-business (e-commerce)

Diff: 2 Page Ref: 4

Topic: AACSB: Communication

Objective: Chapter 1-LO1

152) The trend toward greater economic, cultural, political, and technological interdependence among national institutions and economies is called \_\_\_\_\_.

Answer: globalization

Diff: 1 Page Ref: 6

Topic: AACSB: Reflective Thinking

Objective: Chapter 1-LO1

153) Globalization is a trend characterized by \_\_\_\_\_, which refers to national boundaries becoming less relevant.

Answer: denationalization

Diff: 2 Page Ref: 6

Objective: Chapter 1-LO1

154) The term \_\_\_\_\_ refers to entities cooperating across national boundaries.

Answer: internationalization

Diff: 3 Page Ref: 6

Objective: Chapter 1-LO1

155) \_\_\_\_\_ refers to convergence in buyer preferences in markets around the world.

Answer: Globalization of markets

Diff: 2 Page Ref: 6

Topic: AACSB: Multicultural and Diversity

Objective: Chapter 1-LO1

156) Products marketed in all countries essentially without any changes are called \_\_\_\_\_.

Answer: global products

Diff: 2 Page Ref: 6

Topic: AACSB: Multicultural and Diversity

Objective: Chapter 1-LO1

157) Companies that sell global products can reduce costs by \_\_\_\_\_ certain marketing activities.

Answer: standardizing

Diff: 3 Page Ref: 6

Topic: AACSB: Multicultural and Diversity

Objective: Chapter 1-LO1

158) Makers of global seasonal products may supplement domestic sales with \_\_\_\_\_ to level their income streams.

Answer: international sales

Diff: 3 Page Ref: 7

Objective: Chapter 1-LO1

159) \_\_\_\_\_ refers to the dispersal of production activities to locations that help a company achieve its cost-minimization or quality-maximization objectives for a good or service.

Answer: Globalization of production

Diff: 2 Page Ref: 7

Topic: AACSB: Analytic Skills

Objective: Chapter 1-LO1

160) The quest for natural \_\_\_\_\_ draws many companies into international markets.

Answer: resources

Diff: 2 Page Ref: 8

Objective: Chapter 1-LO1

161) The two main forces that underlie the globalization of markets and production are \_\_\_\_\_ and technological innovation.

Answer: falling barriers to trade and investment

Diff: 2 Page Ref: 8

Topic: AACSB: Use of IT

Objective: Chapter 1-LO2

162) In 1947, political leaders of 23 nations made history when they created the \_\_\_\_\_, a treaty designed to promote free trade by reducing both tariffs and nontariff barriers to international trade.

Answer: General Agreement on Tariffs and Trade (GATT)

Diff: 2 Page Ref: 9

Topic: AACSB: Reflective Thinking

Objective: Chapter 1-LO2

163) The \_\_\_\_\_ is the international organization that enforces the rules of international trade.

Answer: World Trade Organization (WTO)

Diff: 2 Page Ref: 10

Objective: Chapter 1-LO2

164) The value of all goods and services produced by a domestic economy over a one-year period is called \_\_\_\_\_.

Answer: gross domestic product (GDP)

Diff: 2 Page Ref: 10

Objective: Chapter 1-LO2

165) \_\_\_\_\_ is a measure of a nation's income over a one-year period that excludes income generated from its international activities.

Answer: Gross domestic product (GDP)

Diff: 2 Page Ref: 10

Objective: Chapter 1-LO2



166) We can speak in terms of \_\_\_\_\_ when we sum all individual nations' gross domestic product (GDP) figures.

Answer: world GDP

Diff: 3 Page Ref: 10

Objective: Chapter 1-LO2

167) Gross domestic product (GDP) is a somewhat narrower figure than \_\_\_\_\_, the value of all goods and services produced by a country's domestic and international activities over a one-year period.

Answer: gross national product (GNP)

Diff: 2 Page Ref: 10

Objective: Chapter 1-LO2

168) A country's gross domestic product (GDP) per capita is simply its GDP divided by its \_\_\_\_\_.

Answer: population

Diff: 1 Page Ref: 10

Topic: AACSB: Analytic Skills

Objective: Chapter 1-LO2

169) An \_\_\_\_\_ gives distributors and suppliers access to a company's database to place orders or restock inventories electronically and automatically.

Answer: extranet

Diff: 1 Page Ref: 11

Topic: AACSB: Communication

Objective: Chapter 1-LO2

170) Significant advancements in information technology and \_\_\_\_\_ methods are making it easier, faster, and less costly to move data, goods, and equipment around the world.

Answer: transportation

Diff: 1 Page Ref: 11

Topic: AACSB: Communication

Objective: Chapter 1-LO2

171) The Globalization Index comprises a compilation of over a dozen variables within four categories, including political engagement, \_\_\_\_\_ connectivity, personal contact, and economic integration.

Answer: technological

Diff: 3 Page Ref: 14

Topic: AACSB: Use of IT

Objective: Chapter 1-LO2

172) Drivers of the first age of globalization (from the mid-1800s to the 1920s) included the steamship, telegraph, railroad, and later, the \_\_\_\_\_ and airplane.

Answer: telephone

Diff: 3 Page Ref: 16

Objective: Chapter 1-LO3

173) Drivers of this second age of globalization (including communication satellites, fiber optics, microchips, and the \_\_\_\_\_) are lowering the cost of telecommunications.

Answer: Internet

Diff: 2 Page Ref: 16

Topic: AACSB: Communication

Objective: Chapter 1-LO3

174) The \_\_\_\_\_ is an agency created to provide financing for national economic development efforts.

Answer: World Bank

Diff: 2 Page Ref: 16

Topic: AACSB: Multicultural and Diversity

Objective: Chapter 1-LO3

175) The \_\_\_\_\_ is an agency created to regulate fixed exchange rates and enforce the rules of the international monetary system.

Answer: International Monetary Fund

Diff: 2 Page Ref: 16

Objective: Chapter 1-LO3

176) Protesters claim that globalization is responsible for the elimination of \_\_\_\_\_ in developed nations.

Answer: jobs

Diff: 2 Page Ref: 17

Objective: Chapter 1-LO3

177) Pro-globalization economists believe that globalization \_\_\_\_\_ wealth and efficiency in both developed and developing nations.

Answer: increases

Diff: 1 Page Ref: 18

Topic: AACSB: Analytic Skills

Objective: Chapter 1-LO3

178) Globalization \_\_\_\_\_ argue that globalization and international outsourcing help to advance developing nations' economies.

Answer: supporters

Diff: 1 Page Ref: 18

Objective: Chapter 1-LO3

179) \_\_\_\_\_ are special areas in which companies engage in tariff-free importing and exporting.

Answer: Export-processing zones (EPZs)

Diff: 2 Page Ref: 19

Objective: Chapter 1-LO3

180) The three main branches of the debate over income inequality are inequality within nations, inequality between nations, and \_\_\_\_\_.

Answer: global inequality

Diff: 2 Page Ref: 20

Topic: AACSB: Ethical Reasoning; Reflective Thinking

Objective: Chapter 1-LO3

181) Countries that threw open their doors to world trade and investment experienced \_\_\_\_\_ growth rates in gross domestic product (GDP) per capita than rich nations.

Answer: faster

Diff: 2 Page Ref: 22

Topic: AACSB: Analytic Skills

Objective: Chapter 1-LO3

182) \_\_\_\_\_ involves the idea that a nation-state: (1) is autonomous; (2) can freely select its government; (3) cannot intervene in the affairs of other nations; (4) can control movements across its borders; and (5) can enter into binding international agreements.

Answer: National sovereignty

Diff: 2 Page Ref: 22

Topic: AACSB: Multicultural and Diversity

Objective: Chapter 1-LO3

183) National \_\_\_\_\_ is a strong shaper of a people's values, attitudes, customs, beliefs, and communication styles.

Answer: culture

Diff: 1 Page Ref: 23

Topic: AACSB: Multicultural and Diversity

Objective: Chapter 1-LO3

184) \_\_\_\_\_ allows countries to specialize in producing goods and services in which they are most efficient.

Answer: Trade

Diff: 1 Page Ref: 23

Objective: Chapter 1-LO3

185) Largely because of advances in \_\_\_\_\_, small and medium-sized companies are accounting for a greater portion of international business.

Answer: technology

Diff: 2 Page Ref: 24

Topic: AACSB: Use of IT

Objective: Chapter 1-LO4

186) A multinational corporation (MNC) is a business that has \_\_\_\_\_ investments abroad in multiple countries.

Answer: direct

Diff: 2      Page Ref: 24

Objective: Chapter 1-LO4

187) The rise of a new international entity called the \_\_\_\_\_ suggests that any firm, regardless of age, experience, and resources, can engage in international business.

Answer: born global firm

Diff: 1      Page Ref: 25

Topic: AACSB: Reflective Thinking

Objective: Chapter 1-LO4

188) The four elements comprising the "global business environment" include \_\_\_\_\_, national business environments, the international business environment, and international firm management.

Answer: globalization

Diff: 2      Page Ref: 26

Objective: Chapter 1-LO5

189) The drivers of globalization (technological innovation and \_\_\_\_\_) influence every element of the global business environment.

Answer: falling trade and investment barriers

Diff: 2      Page Ref: 27

Topic: AACSB: Use of IT

Objective: Chapter 1-LO5

190) Define international business and explain how it affects each of us in our daily activities.

Diff: 1      Page Ref: 4

Objective: Chapter 1-LO1

191) Define imports and exports and explain the main ways in which they differ.

Diff: 2      Page Ref: 4

Objective: Chapter 1-LO1

192) Define e-business (e-commerce) and explain how it helps companies conduct international business.

Diff: 1      Page Ref: 4

Topic: AACSB: Use of IT

Objective: Chapter 1-LO1

193) Define globalization and identify its main characteristics.

Diff: 1      Page Ref: 6

Objective: Chapter 1-LO1

194) Summarize each benefit a company might obtain from the globalization of markets.

Diff: 2      Page Ref: 6-7

Objective: Chapter 1-LO1

195) How might a company benefit from the globalization of production?

Diff: 2      Page Ref: 7-8

Objective: Chapter 1-LO1

196) Describe the two major forces that drive globalization and how they work together to expand globalization.

Diff: 3      Page Ref: 9-12

Topic: AACSB: Use of IT

Objective: Chapter 1-LO2

197) Identify the World Trade Organization's (WTO) three main goals and explain how the WTO differs from the General Agreement on Tariffs and Trade (GATT).

Diff: 3      Page Ref: 9-10

Objective: Chapter 1-LO2

198) Explain why growth in world trade is outpacing growth in world output.

Diff: 3      Page Ref: 10

Topic: AACSB: Analytic Skills

Objective: Chapter 1-LO2

199) Explain how technological innovation impacts globalization and how it is accelerating the process.

Diff: 1      Page Ref: 11

Topic: AACSB: Use of IT

Objective: Chapter 1-LO2

200) What factors help make some countries more global than others? Identify several highly global nations.

Diff: 2      Page Ref: 14

Objective: Chapter 1-LO2

201) How does this current period of globalization compare with the first age of globalization?

Diff: 2      Page Ref: 15-16

Objective: Chapter 1-LO3

202) Compare and contrast the purposes of the World Bank and the International Monetary Fund.

Diff: 3      Page Ref: 16

Objective: Chapter 1-LO3

203) Identify several positions on each side of the globalization debate.

Diff: 2      Page Ref: 17-24

Topic: AACSB: Reflective Thinking

Objective: Chapter 1-LO3

204) Summarize the claims made against globalization regarding its impact on jobs and wages, and the responses of globalization supporters.

Diff: 2      Page Ref: 17-19

Objective: Chapter 1-LO3

205) Summarize the claims made against globalization regarding its impact on labor, the environment and markets, and the responses of globalization supporters.

Diff: 2      Page Ref: 19-20

Topic: AACSB: Ethical Reasoning; Reflective Thinking

Objective: Chapter 1-LO3

206) What does the balance of evidence suggest for each of the three branches in the debate over globalization and income inequality?

Diff: 3      Page Ref: 20-22

Topic: AACSB: Ethical Reasoning; Reflective Thinking

Objective: Chapter 1-LO3

207) What are the arguments of each side in the debate over globalization's impact on national sovereignty?

Diff: 3      Page Ref: 22-23

Objective: Chapter 1-LO3

208) Summarize the claims made against globalization regarding its influence on cultures and the responses of globalization defenders.

Diff: 2      Page Ref: 23

Topic: AACSB: Multicultural and Diversity

Objective: Chapter 1-LO3

209) Identify all the different types of companies that participate in international business.

Diff: 1      Page Ref: 24-26

Objective: Chapter 1-LO4

210) Why are entrepreneurs and small companies increasingly active in international trade and investment?

Diff: 3      Page Ref: 25-26

Topic: AACSB: Use of IT

Objective: Chapter 1-LO4

211) What are several myths that keep small companies from engaging in exporting and the facts that dispel these myths?

Diff: 2      Page Ref: 26

Topic: AACSB: Reflective Thinking

Objective: Chapter 1-LO4

212) Describe the "global business environment" model and each of its four elements.

Diff: 3      Page Ref: 26-28

Objective: Chapter 1-LO5

213) How does globalization affect the other three main elements in the "global business environment" model?

Diff: 2      Page Ref: 26-28

Objective: Chapter 1-LO5