

c1

Student: _____

1. Technology, research, capital investment, production, and distribution and communications networks all have global dimensions.

True False

2. One event that will shape international business as the future unfolds is the rapid growth of the World Trade Organization and regional free trade areas such as the NAFTA and the European Union.

True False

3. A trend that will impact international business in the future is changing geopolitics, including the threats of terrorism and continuing or new armed conflicts.

True False

4. Within six years, the price of oil went from less than \$40 (U.S. dollars) during 2000-2004 to over \$140 in June 2008, then back down to \$40 in early 2009, and up again to almost \$80 in early 2010

True False

5. The Canadian dollar rose from just over 60 cents to near-par status relative to the U.S. dollar between 2003 and 2010.

True False

6. In the 9th annual survey of CEOs, carried out in 2005 by Price Waterhouse Coopers and titled "Globalization and Complexity: Inevitable Forces in a Changing Economy," one factor considered in their decision to do business with the BRICs was "Accessing new customers."

True False

7. Over the past decade, developing countries overall have experienced moderate growth. A sizeable proportion of many people in India's population of 1.1 billion still live in abject poverty, and no middle class has arisen.

True False

8. As a result of our harsh winters and poor record on environmental stewardship, Canada is rarely cited among the best places in which to live in the world.
True False
9. Canada's refusal to enter Iraq along with the American-British-led coalition has positioned it more favourably in the eyes of European, Arab, and developing world peoples. At the same time, the decision has strained relations with the United States.
True False
10. Competition, legal restraints, government controls, weather, fickle consumers, and any number of other uncontrollable elements are easily overcome by good, sound marketing plans.
True False
11. A good illustration of a controllable variable that might impact international business is a marketing decision with respect to research.
True False
12. The foreign uncontrollable environment is the same as the domestic uncontrollable environment.
True False
13. The political and legal environment is an uncontrollable element for international marketers because of the ability to lobby and influence legislation.
True False
14. A significant source of uncertainty lies in the number of controllable elements for the international marketer.
True False
15. John refuses to buy American products because he sees them as a way of selling out to a nation known for its aggressive behaviour. John is using a self-reference criterion to make his decision.
True False

16. To adjust and adapt a marketing program to foreign markets, marketers must be able to effectively interpret the influence and impact of each of the uncontrollable environmental elements on the marketing plan for each foreign market in which they hope to do business.

True False

17. Sam Watkins just recently ate and, therefore, feels justified in refusing food from his Middle Eastern host. In this instance, Sam's self-reference criterion has just saved him from making a cultural blunder.

True False

18. To avoid making errors in business decisions, it is necessary to conduct a cross-cultural analysis that isolates the SRC influences and to maintain a vigilance regarding ethnocentrism.

True False

19. To adjust and adapt a marketing program to foreign markets, marketers must be able to effectively interpret the influence and impact of each of the uncontrollable environmental elements.

True False

20. To be globally aware, you should require that all of your international customers know about your cultural rules and adhere strictly to each one.

True False

21. If a company is in a stage designated as being one with "no direct foreign marketing," the company does not actively cultivate customers outside national boundaries.

True False

22. Infrequent foreign marketing occurs when the marketing budget has not been utilized on domestic marketing efforts.

True False

23. If a company uses a strategic orientation called domestic market extension, it views its international operations as secondary to and an extension of its domestic operations.

True False

24. The global marketing concept views the marketplace as consisting of one primary domestic market that is complemented by several smaller regional markets.

True False

25. Which of the following major events marked the first decade the new millennium?

- A. wars in Afghanistan and Iraq; terrorist attacks in Spain, Great Britain, and Mali
- B. major health threats, such as SARS, mad cow disease, avian flu, and H1N1
- C. the growth of Islamic fundamentalism and the potential development of nuclear capabilities by such countries as North Korea and Iran
- D. regional disputes between China and Taiwan
- E. all of the above

26. Which of the following major events marked the first decade the new millennium?

- A. a war and humanitarian crisis in Darfur
- B. a tsunami in the Indian Ocean that killed over 230,000 people
- C. earthquakes in Haiti and Chile
- D. A major oil spill in the Gulf of Mexico
- E. All of the above.

27. Which of the following business related events marked the first decade of the new millennium?

- A. major scandals, such as Enron, Tyco, and WorldCom in the U.S., Parmalat in Italy
- B. the global recall of millions of cars by Toyota due to a variety of safety failures
- C. An unsafe mine collapsed in Chile and 33 miners were trapped for 69 days
- D. General Motors nearly became extinct
- E. All of the above

28. Canada weathered the global recession of 2008-2009 better than any other developed country because

- A. Canada does very little trade with the rest of the world
- B. Canada's banking system prevented some of the worst effects of the crisis from materializing
- C. Canada's natural resources were still in demand by countries such as China and India
- D. Canada has no national debt and was not impacted by reduced demand for goods and services
- E. The Canadian economy is too small to be impacted by the economic events in other countries

29. Of all the events and trends affecting global business today, six seven stand out as the most dynamic. Which of the following would be one of those events?

- A. The trend toward buying North American cars in Europe.
- B. The rise of new major producing and consuming nations, such as the BRICs (Brazil, Russia, India and China).
- C. The trend toward using English as the global language.
- D. The trend toward establishing a world currency.
- E. None of these answers is correct.

30. All of the following events and trends are among the six seven major trends described in the chapter as having a major impact or effect on global business EXCEPT:

- A. The trend toward the acceptance of the free market system among developing countries in Latin America, Asia, and Eastern Europe.
- B. The rapid growth of the World Trade Organization and regional free trade areas such as NAFTA and the European Union.
- C. The burgeoning impact of the Internet, mobile phones, and other global media on virtually every sphere of life;
- D. The imperative to properly manage resources and the global environment for the generations to come
- E. All of these answers are correct.

31. Today, most business activities are global in scope. When managing a domestic company that exports or a multinational conglomerate, businesspeople must be aware of trends in the following areas

- A. Technology and research,
- B. Capital investment.
- C. Production and distribution
- D. Communications networks.
- E. All of the above

32. For the first time in history McDonald's is pulling out of some international markets in which of these regions?

- A. China and Malaysia
- B. Europe and the United Kingdom
- C. Latin America and the Middle East
- D. Asia and Eastern Europe
- E. None of the above

33. In the 9th annual survey of CEOs, carried out in 2005 by Price Waterhouse Coopers and titled "Globalization and Complexity: Inevitable Forces in a Changing Economy," what country did the CEOs vote almost 60% in favour of doing business in the next three years?

- A. Russia
- B. China
- C. Brazil
- D. India
- E. Spain

34. Aspects of the domestic environment include the following EXCEPT.

- A. product
- B. research
- C. price
- D. placement
- E. promotion

35. Considering the model of the international marketing task displayed in the text, it would include all of the following EXCEPT:

- A. economic forces
- B. competitive forces
- C. level of technology
- D. infrastructure and geography
- E. inter-company marketing

36. _____ appreciate the economic efficiencies gained through globalization.

- A. anti-globalist
- B. skeptics
- C. pro-globalist
- D. transformationalist
- E. pre-globalist

37. All of the following are actions CEOs are taking or planning to take in the BRICs EXCEPT

- A. outsourcing to a third party
- B. off shoring with your own company
- C. opening new offices
- D. align with pro-globalists for support
- E. forming alliance with partners

38. With respect to the environment in which a business operates in another country, such factors as competitive forces, political/legal forces, level of technology, and cultural forces would all be examples of what are called:
- A. controllable elements
 - B. uncontrollable elements
 - C. predictable elements
 - D. foreign uncontrollable elements
 - E. cultural elements
39. All of the following would be considered to be controllable elements of marketing decisions EXCEPT:
- A. Product
 - B. Price
 - C. Promotion
 - D. Research
 - E. All of these answers are correct
40. Considering the model of the international marketing task displayed in the text, which of the following reasons demonstrates the most important difference between the international marketer's task and that of the domestic marketer?
- A. The international marketer must deal with at least two levels of uncontrollable uncertainty instead of one.
 - B. The international marketer must rely on at least two levels of controllable certainty instead of one.
 - C. The international marketer is never certain about demand.
 - D. The international marketer is never certain about supply.
 - E. All of these answers are correct.
41. What makes international marketing interesting is the challenge of moulding the controllable elements of marketing decisions within the framework of the uncontrollable elements of the marketplace, in such a way that marketing objectives are achieved. Which of the following is not a controllable element?
- A. product development
 - B. competitor advertising
 - C. price and distribution
 - D. promotion plans
 - E. strategies and tactics
42. Robert Jonas is in charge of a new marketing effort directed toward Peru. In order for his company to effectively market and distribute to all of Peru's major cities, Mr. Jonas must devise a logistics plan for crossing the Andes Mountains on a daily basis. Which of the following foreign environment uncontrollable variables would be a chief concern as Mr. Jonas devises his plan?
- A. Competitive forces
 - B. Cultural forces
 - C. Geography and infrastructure
 - D. Economic forces
 - E. Political/legal forces

43. All of the following appear as a foreign environment uncontrollable variable in the model of the international marketing task shown in the text EXCEPT:

- A. economic forces
- B. competitive forces
- C. product forces
- D. cultural forces
- E. political/legal forces

44. Kelly Hubert has been assigned the task of preparing a company's marketing plan for the next year's business activities. She knows that she should begin her plan by examining the variables that she has some control over. These controllable variables would include price, product, promotion, and:

- A. Demand
- B. Supply
- C. Competition
- D. channels of distribution
- E. economic climate

45. A political decision involving _____ can have a direct effect on a firm's international marketing success.

- A. domestic foreign policy
- B. retirement age
- C. the makeup of a board of directors
- D. farm subsidies
- E. airline regulation

46. Which of the following would be a chief way that Canadian companies attempt to influence domestic foreign policy?

- A. A company could lobby with respects respect to its own interests.
- B. A company could attempt to bribe elected officials to influence policy decisions.
- C. A company could ask a foreign government to bring pressure on Canadian politicians.
- D. A company could threaten to withdraw operations from foreign markets.
- E. A company could threaten to increase prices for all products sold in the domestic market

47. Ralph Waite has just been assigned the task of reviewing his company's international investment opportunities. He knows that his view of the list of opportunities should be tempered by foreign environment uncontrollables that might be encountered. Which of the following would be the BEST illustration of a foreign environmental uncontrollable that Mr. Waite should investigate?

- A. A country's level of technology.
- B. Pricing policies in the foreign country.
- C. The ability to do research in the foreign country.
- D. Manufacturing capabilities in the foreign country.
- E. The ability to do advertising in the foreign country.

48. The _____ is an uncontrollable element that can often be misread because of the vast differences that may exist between developed and undeveloped countries.
- A. structure of distribution
 - B. competitive forces
 - C. economic forces
 - D. political/legal forces
 - E. level of technology
49. The _____ and issues abroad are often amplified by the "alien status" of the company, which increases the difficulty of properly assessing and forecasting the dynamic international business climate.
- A. structure of distribution
 - B. competitive forces
 - C. economic forces
 - D. political/legal forces
 - E. level of technology
50. Which of the following would be the BEST illustration of the "alien status" found in the political and legal arena that sometimes cause problems for international marketers as they attempt to do business in foreign countries?
- A. A company in the U.K. recently purchased Ben & Jerry's ice cream operations.
 - B. The Indian government told Coca-Cola that it must reveal its "secret formula" if it wished to continue do business in India.
 - C. Richard Branson's Virgin Cola was not widely accepted in the United States.
 - D. French Canadians prefer French to English when conducting business in Canada.
 - E. None of these answers is correct.
51. Global businesses must be willing to adjust and adapt a marketing program to a foreign market. In a broad sense, the environmental uncontrollable elements constitute the:
- A. Problem
 - B. Opportunity
 - C. Culture
 - D. Marketplace
 - E. Commerce landscape
52. The difficulty facing the marketer in adjusting to a foreign culture lies in
- A. recognizing its unique characteristics and impact
 - B. creating an effective pricing strategy
 - C. determining an effective distribution strategy
 - D. developing an effective promotion strategy
 - E. coordinating marketing efforts across countries

53. The task of _____ is the most challenging and important one confronting international marketers.

- A. care for the environment
- B. dealing with politics
- C. international standardization
- D. cultural adaptation
- E. international branding

54. Which of the following would illustrate the fact that international marketers need to make cultural adjustments as they seek to do business abroad?

- A. In North America, white is an accepted colour for wedding gowns; in Asia it is the colour of mourning.
- B. Time conscious Canadians are not culturally prepared to understand the meaning of time to Latin Americans.
- C. Women outnumber men in Canada.
- D. Most Middle Eastern women do not work outside the home.
- E. Both A and B are correct

55. _____ is the most challenging and important issue confronting international marketers: they must adjust their marketing efforts to cultures to which they are not attuned.

- A. Standardization
- B. Cultural adjustment
- C. Segregation
- D. Cultural Segmentation
- E. None of these answers is correct

56. The primary obstacles to success in international marketing are a person's _____ and an associated ethnocentrism.

- A. Regionalism
- B. Holism
- C. Self-reference criterion
- D. Segregation
- E. Integration

57. _____ is an unconscious reference to one's own cultural values, experiences, and knowledge as a basis for decisions.

- A. Regionalism
- B. Holism
- C. Self-reference criterion, SRC
- D. Segregation
- E. Xenophobia

58. A misunderstanding can occur when a simple hand gesture has a number of different meanings in different parts of the world. When wanting to signify something is OK, most people in Canada raise a hand and make a circle with the thumb and forefinger. This same hand gesture means "zero" or "worthless" to the French, and "money" to the Japanese. The preceding is an illustration of what is called applying a _____ when reviewing the mentioned hand gesture.

- A. Holism
- B. Segregation
- C. Integration
- D. space command theory
- E. self-reference criterion, SRC

59. Your _____ can prevent you from being aware that there are cultural differences or from recognizing the importance of those differences.

- A. Holism
- B. Personality
- C. demographic character
- D. self-reference criterion, SRC
- E. concept of integration

60. The most effective way to control the influence of ethnocentrism and _____ is to recognize their effects on our behaviour.

- A. the self-reference criterion, SRC
- B. Regionalism
- C. tunnel vision
- D. Standardization
- E. Xenophobia

61. To avoid errors in business decisions, it is necessary to conduct a cross-cultural analysis that isolates the self-reference criterion influences. Which of the following:

- A. Redefine the problem without the SRC influence.
- B. Solve the problem for the optimum business goal situation.
- C. Isolate the SRC influence in the problem and examine it carefully to see how it complicates the problem.
- D. Define the business problem or goal in home-country cultural traits, habits, or norms.
- E. Define the business problem or goal in foreign-country cultural traits, habits, or norms through consultation with natives of the target country.

62. Surprisingly, understanding one's own culture may require additional study because
- A. our culture is changing all the time
 - B. much of the cultural influence on market behaviour remains at a subconscious level and is not clearly defined.
 - C. much of the cultural influence on market behaviour is at a conscious level but is not clearly defined
 - D. market behaviour is determined by cultural influence
 - E. cultural behaviour
 - F. is determined by cultural influence
63. At the corporate level global awareness can and should be built using which of the following approaches?
- A. Use of personnel who have personal relationships in target countries
 - B. Have successful long-term business relationships with foreign customers.
 - C. Utilize foreign agents and partners
 - D. All of these answers are correct.
 - E. A only
64. The successful businessperson in the twenty-first century will have _____ and a frame of reference that goes beyond a region or even a country and encompasses the world.
- A. a sense of fashion
 - B. global awareness
 - C. an intimate knowledge of ecological problems
 - D. a consumer mind-set
 - E. a pronounced skill in promotion
65. A true global mindset challenges the most fundamental beliefs, values, and experiences of virtually anyone who tries to develop it. In essence, it requires that the international marketing manager be
- A. global and local,
 - B. cosmopolitan and home-driven,
 - C. focused and yet understanding
 - D. all of the above
 - E. B and C only
66. There are a variety of stages in the process of becoming involved in international marketing. Which of the following best describes the stage of development where the company has permanent productive capacity devoted to the production of goods to be marketed in foreign markets.
- A. infrequent foreign marketing
 - B. regular foreign marketing
 - C. no direct foreign marketing
 - D. international marketing
 - E. global marketing

67. At this stage a company seeks markets all over the world and sells products that are a result of planned production for markets in various countries.

- A. infrequent foreign marketing
- B. regular foreign marketing
- C. no direct foreign marketing
- D. international marketing
- E. global marketing

68. Unbeknownst to the business owner, some of the products are reaching foreign markets as a result of sales via the website. Which of the following stages BEST characterizes the stage of international marketing involvement for this company?

- A. infrequent foreign marketing
- B. regular foreign marketing
- C. no direct foreign marketing
- D. international marketing
- E. global marketing

69. Liz Gray's company treats the world, including the home market in Spain, as one market. Market segmentation decisions no longer focus on national borders. Instead, market segments are defined by income levels, usage patterns, and other factors that span countries and regions. Which of the following stages BEST characterizes the stage of international marketing involvement for Ms. Grays' company?

- A. infrequent foreign marketing
- B. regular foreign marketing
- C. no direct foreign marketing
- D. international marketing
- E. global marketing

70. If a company basically sees the process of international marketing as one where the domestic company seeks a sales extension of its domestic products into foreign markets, the company is using which of the following concepts to formulate its international policies and strategies?

- A. Domestic market extension concept
- B. Multi-domestic market concept
- C. Global marketing concept
- D. Universal marketing concept
- E. Standardized marketing concept

71. The Ajax Corporation has decided to enter the international marketing arena by marketing its products on a country-by-country basis, with separate marketing strategies for each country. The company is using which of the following concepts to formulate its international policies and strategies?

- A. Domestic market extension concept
- B. Multi-domestic market concept
- C. Global marketing concept
- D. Universal marketing concept
- E. Standardized marketing concept

72. Four relatively distinctive approaches that dominate strategic thinking in firms involved in international markets:

- Domestic market extension orientation
- Multi-domestic market orientation
- Regional market orientation
- Global market orientation

The Domestic market extension orientation reflects a(n) _____ approach

- A. Ethnocentric
- B. Polycentric
- C. Regiocentric
- D. Geocentric
- E. Strategeocentric

73. Four relatively distinctive approaches that dominate strategic thinking in firms involved in international markets:

- Domestic market extension orientation
- Multi-domestic market orientation
- Regional market orientation
- Global market orientation

The Multi-domestic market orientation reflects a(n) _____ approach

- A. Ethnocentric
- B. Polycentric
- C. Regiocentric,
- D. Geocentric
- E. Strategeocentric

74. For the first time in history _____ is pulling out of international markets in both Latin America and the Middle East.

75. Although interrupted by economic recessions every _____ years or so, an unprecedented long-term global economic boom has been under way since the late 1940s as the drive for efficiency, productivity, and open, unregulated markets sweeps the world.

76. It was recognized internationally that _____ weathered the 2008-2009 recession much better than any other developed country, largely as a result of having a banking system in place that prevented some of the most deleterious effects of the crisis from materializing.

77. Such domestic environmental elements as Political/Legal, Competitive structure, Economic climate are called _____ elements.

78. The task of _____ adjustment is the most challenging and important one confronting international marketers: They must adjust their marketing efforts to cultures to which they are not tuned.

79. A person's self-reference criterion (SRC) is often associated with a term called _____.

80. A person's _____ is an unconscious reference to one's own cultural values, experiences, and knowledge as a basis for decisions.

81. To be _____ aware is to have 1) tolerance of cultural differences, and 2) knowledge of cultures, history, world market potential, and global economic, social, and political trends.

82. There are _____ stages of International Marketing Involvement, as described in the text.

83. At the _____ marketing level, companies treat the world, including their home market, as one market.

84. A company with a _____ **orientation** seeks a sales extension of its domestic products into foreign markets. It views its international operations as secondary to and an extension of its domestic operations; the primary motive is to market excess domestic production.

85. A company guided by the _____ orientation have a strong sense that country markets are vastly different (and they may be, depending on the product) and that market success requires an almost independent program for each country. Firms with this orientation market on a country-by-country basis, with separate marketing strategies for each country.

86. Please list and describe five of the major world events that occurred during the first decade of the new millennium

87. Rick Russell owns a small company that specializes in waste cleanup on the high seas. He believes that his company can grow dramatically if he can find foreign partners and investors. According to the events and trends cited in the text as affecting global business today, which of these trends would have the most impact on Mr. Russell's business? Explain your rationale.

88. Please list and describe five of the seven major events and trends affecting global business today as identified in the text.

89. Canada's refusal to enter Iraq along with the American-British-led coalition has positioned it more favourably in the eyes of European, Arab, and developing world peoples. At the same time, the decision has strained relations with the United States. Calgary-based ATCO Structures Inc. completed construction on 1,400 trailers in Iraq and became the first company from Canada to wrap up work as a subcontractor there ATCO's project came after months of controversy over whether Canadian businesses would be shut out of lucrative contracts in Iraq because Ottawa did not support the U.S.-led war.
Why would Canadian company's be excluded from bidding on contracts in Iraq?

90. List and describe the environment of an international marketer. Include the domestic controllable elements that constitute a marketer's decision area, those environmental elements at home that have some effect on foreign-operation decisions, and the elements of the foreign environment for each foreign market within which the marketer operates.

91. Scott Web Services has decided to go international with their new anti-spam software. Using the International Marketing Task model shown in the text, discuss which factors will impact Scott Web Services the most as it gears up to pursue international expansion.

92. Explain the differences between the domestic environment uncontrollable elements and the foreign environment uncontrollable elements.

93. The director of a medium-sized Goodyear tire plant in India was distraught one day when the eldest son of a sales manager who had passed away unexpectedly a month earlier showed up at his office prepared to assume his father's job. In Indian culture, the eldest son is expected to take on the role of family head in the event of the father's death. In some Indian societies, the assumption of the role includes the father's occupation and title—even though in many cases, including this one, the son does not possess the skills needed for the job in question. The director was facing a genuine predicament. If he handled the situation based on North American cultural expectations, the son would be told in no uncertain terms that the job was not his-but doing so could have an adverse effect not only on the son but also on the staff and perhaps even with certain key "traditionalist" clients. What was the director to do? It was imperative that he respect the cultural norms of the local community, yet he was compelled to perform according to the normal standards of his company, which certainly did not include "heredity" as a criterion of employment. What process might you consider following to guide you towards a solution?

94. To be an effective international marketer, why is it necessary to master cultural adjustment? Explain.

95. Explain the concept of the self-reference criterion (SRC).

96. You are about to eat at a friend's house for dinner. However, your friend is from a foreign country and you are sure that his family will have prepared an ethnic meal for you. Explain how your self-reference criterion (SRC) might cause you problems with your upcoming new experience. What should do about this?

97. To avoid errors in business decisions, it is necessary to conduct a cross-cultural analysis that isolates the self-reference criterion influences. List the four steps that make up the framework for such an analysis.

98. In order for a company to globally aware, the company must do what two things (according to the text)?

99. With respect to a strategic orientation to conducting international marketing, describe the global marketing concept.

100. At the corporate level global awareness can and should be built using several approaches, describe the approaches discussed in your textbook

101. List the five stages of international marketing involvement:

102. There are four relatively distinctive approaches (orientations) that dominate strategic thinking in firms involved in international markets. Please list and describe these orientations and discuss how they relate to the "EPRG" framework.

c1 Key

1. (p. 8) Technology, research, capital investment, production, and distribution and communications networks all have global dimensions.

TRUE

Cateora - Chapter 01 #1

Difficulty: Easy

Type: Comprehension

Type: Fact

2. (p. 8) One event that will shape international business as the future unfolds is the rapid growth of the World Trade Organization and regional free trade areas such as the NAFTA and the European Union.

TRUE

Cateora - Chapter 01 #2

Difficulty: Moderate

Type: Comprehension

3. (p. 8) A trend that will impact international business in the future is changing geopolitics, including the threats of terrorism and continuing or new armed conflicts.

TRUE

Cateora - Chapter 01 #3

Difficulty: Moderate

Type: Comprehension

4. (p. 6) Within six years, the price of oil went from less than \$40 (U.S. dollars) during 2000-2004 to over \$140 in June 2008, then back down to \$40 in early 2009, and up again to almost \$80 in early 2010

TRUE

Cateora - Chapter 01 #4

Difficulty: Moderate

Type: Fact

5. (p. 7) The Canadian dollar rose from just over 60 cents to near-par status relative to the U.S. dollar between 2003 and 2010.

TRUE

Cateora - Chapter 01 #5

Difficulty: Moderate

Type: Fact

6. (p. 10, Exhibit 1.1) In the 9th annual survey of CEOs, carried out in 2005 by Price Waterhouse Coopers and titled "Globalization and Complexity: Inevitable Forces in a Changing Economy," one factor considered in their decision to do business with the BRICs was "Accessing new customers."

TRUE

Cateora - Chapter 01 #6

Difficulty: Moderate

Type: Fact

7. (p. 7) Over the past decade, developing countries overall have experienced moderate growth. A sizeable proportion of many people in India's population of 1.1 billion still live in abject poverty, and no middle class has arisen.

FALSE

Cateora - Chapter 01 #7

Difficulty: Moderate

Type: Comprehension

8. (p. 8) As a result of our harsh winters and poor record on environmental stewardship, Canada is rarely cited among the best places in which to live in the world.

FALSE

Cateora - Chapter 01 #8

Difficulty: Moderate

Type: Fact

9. (p. 8) Canada's refusal to enter Iraq along with the American-British-led coalition has positioned it more favourably in the eyes of European, Arab, and developing world peoples. At the same time, the decision has strained relations with the United States.

TRUE

Cateora - Chapter 01 #9

Difficulty: Moderate

Type: Fact

10. (p. 13) Competition, legal restraints, government controls, weather, fickle consumers, and any number of other uncontrollable elements are easily overcome by good, sound marketing plans.

FALSE

Cateora - Chapter 01 #10

Difficulty: Moderate

Type: Comprehension

11. (p. 14) A good illustration of a controllable variable that might impact international business is a marketing decision with respect to research.

TRUE

Cateora - Chapter 01 #11

Difficulty: Hard

Type: Application

12. (p. 15) The foreign uncontrollable environment is the same as the domestic uncontrollable environment.

FALSE

Cateora - Chapter 01 #12

Difficulty: Hard

Type: Comprehension

13. (p. 16) The political and legal environment is an uncontrollable element for international marketers because of the ability to lobby and influence legislation.

TRUE

Cateora - Chapter 01 #13

Difficulty: Moderate

Type: Fact

14. (p. 17) A significant source of uncertainty lies in the number of controllable elements for the international marketer.

FALSE

Cateora - Chapter 01 #14

Difficulty: Hard

Type: Comprehension

15. (p. 18) John refuses to buy American products because he sees them as a way of selling out to a nation known for its aggressive behaviour. John is using a self-reference criterion to make his decision.

TRUE

Cateora - Chapter 01 #15

Difficulty: Moderate

Type: Application

16. (p. 17) To adjust and adapt a marketing program to foreign markets, marketers must be able to effectively interpret the influence and impact of each of the uncontrollable environmental elements on the marketing plan for each foreign market in which they hope to do business.

TRUE

Cateora - Chapter 01 #16

Difficulty: Moderate

Type: Comprehension

17. (p. 18) Sam Watkins just recently ate and, therefore, feels justified in refusing food from his Middle Eastern host. In this instance, Sam's self-reference criterion has just saved him from making a cultural blunder.

FALSE

Cateora - Chapter 01 #17

Difficulty: Hard

Type: Application

18. (p. 18) To avoid making errors in business decisions, it is necessary to conduct a cross-cultural analysis that isolates the SRC influences and to maintain a vigilance regarding ethnocentrism.

TRUE

Cateora - Chapter 01 #18

Difficulty: Moderate

Type: Comprehension

19. (p. 17) To adjust and adapt a marketing program to foreign markets, marketers must be able to effectively interpret the influence and impact of each of the uncontrollable environmental elements.

TRUE

Cateora - Chapter 01 #19

Difficulty: Easy

Type: Comprehension

20. (p. 19) To be globally aware, you should require that all of your international customers know about your cultural rules and adhere strictly to each one.

FALSE

Cateora - Chapter 01 #20

Difficulty: Moderate

Type: Comprehension

21. (p. 21) If a company is in a stage designated as being one with "no direct foreign marketing," the company does not actively cultivate customers outside national boundaries.

TRUE

Cateora - Chapter 01 #21

Difficulty: Easy

Type: Definition

22. (p. 21) Infrequent foreign marketing occurs when the marketing budget has not been utilized on domestic marketing efforts.

FALSE

Cateora - Chapter 01 #22

Difficulty: Moderate

Type: Definition

23. (p. 24) If a company uses a strategic orientation called domestic market extension, it views its international operations as secondary to and an extension of its domestic operations.

TRUE

Cateora - Chapter 01 #23

Difficulty: Moderate

Type: Definition

24. (p. 25) The global marketing concept views the marketplace as consisting of one primary domestic market that is complemented by several smaller regional markets.

FALSE

Cateora - Chapter 01 #24

Difficulty: Hard

Type: Definition

25. (p. 6) Which of the following major events marked the first decade the new millennium?
- A. wars in Afghanistan and Iraq; terrorist attacks in Spain, Great Britain, and Mali
 - B. major health threats, such as SARS, mad cow disease, avian flu, and H1N1
 - C. the growth of Islamic fundamentalism and the potential development of nuclear capabilities by such countries as North Korea and Iran
 - D. regional disputes between China and Taiwan
 - E.** all of the above

Cateora - Chapter 01 #25
Difficulty: Moderate
Type: Comprehension

26. (p. 6) Which of the following major events marked the first decade the new millennium?
- A. a war and humanitarian crisis in Darfur
 - B. a tsunami in the Indian Ocean that killed over 230,000 people
 - C. earthquakes in Haiti and Chile
 - D. A major oil spill in the Gulf of Mexico
 - E.** All of the above.

Cateora - Chapter 01 #26
Difficulty: Moderate
Type: Comprehension

27. (p. 6) Which of the following business related events marked the first decade of the new millennium?
- A. major scandals, such as Enron, Tyco, and WorldCom in the U.S., Parmalat in Italy
 - B. the global recall of millions of cars by Toyota due to a variety of safety failures
 - C. An unsafe mine collapsed in Chile and 33 miners were trapped for 69 days
 - D. General Motors nearly became extinct
 - E.** All of the above

Cateora - Chapter 01 #27
Difficulty: Moderate
Type: Comprehension

28. (p. 7) Canada weathered the global recession of 2008-2009 better than any other developed country because
- A. Canada does very little trade with the rest of the world
 - B.** Canada's banking system prevented some of the worst effects of the crisis from materializing
 - C. Canada's natural resources were still in demand by countries such as China and India
 - D. Canada has no national debt and was not impacted by reduced demand for goods and services
 - E. The Canadian economy is too small to be impacted by the economic events in other countries

Cateora - Chapter 01 #28
Difficulty: Hard
Type: Comprehension

29. (p. 8) Of all the events and trends affecting global business today, six seven stand out as the most dynamic. Which of the following would be one of those events?
- A. The trend toward buying North American cars in Europe.
 - B.** The rise of new major producing and consuming nations, such as the BRICs (Brazil, Russia, India and China).
 - C. The trend toward using English as the global language.
 - D. The trend toward establishing a world currency.
 - E. None of these answers is correct.

Cateora - Chapter 01 #29

Difficulty: Moderate

Type: Comprehension

30. (p. 8) All of the following events and trends are among the six seven major trends described in the chapter as having a major impact or effect on global business EXCEPT:
- A. The trend toward the acceptance of the free market system among developing countries in Latin America, Asia, and Eastern Europe.
 - B. The rapid growth of the World Trade Organization and regional free trade areas such as NAFTA and the European Union.
 - C. The burgeoning impact of the Internet, mobile phones, and other global media on virtually every sphere of life;
 - D. The imperative to properly manage resources and the global environment for the generations to come
 - E.** All of these answers are correct.

Cateora - Chapter 01 #30

Difficulty: Hard

Type: Comprehension

31. (p. 8) Today, most business activities are global in scope. When managing a domestic company that exports or a multinational conglomerate, businesspeople must be aware of trends in the following areas
- A. Technology and research,
 - B. Capital investment.
 - C. Production and distribution
 - D. Communications networks.
 - E.** All of the above

Cateora - Chapter 01 #31

Difficulty: Moderate

Type: Comprehension

32. (p. 8) For the first time in history McDonald's is pulling out of some international markets in which of these regions?

- A. China and Malaysia
- B. Europe and the United Kingdom
- C. Latin America and the Middle East**
- D. Asia and Eastern Europe
- E. None of the above

Cateora - Chapter 01 #32

Difficulty: Moderate

Type: Fact

33. (p. 10, Exhibit 1.1) In the 9th annual survey of CEOs, carried out in 2005 by Price Waterhouse Coopers and titled "Globalization and Complexity: Inevitable Forces in a Changing Economy," what country did the CEOs vote almost 60% in favour of doing business in the next three years?

- A. Russia
- B. China**
- C. Brazil
- D. India
- E. Spain

Cateora - Chapter 01 #33

Difficulty: Moderate

Type: Fact

34. (p. 14) Aspects of the domestic environment include the following EXCEPT.

- A. product
- B. research
- C. price
- D. placement**
- E. promotion

Cateora - Chapter 01 #34

Difficulty: Moderate

Type: Comprehension

35. (p. 14, Exhibit 1.2) Considering the model of the international marketing task displayed in the text, it would include all of the following EXCEPT:

- A. economic forces
- B. competitive forces
- C. level of technology
- D. infrastructure and geography
- E.** inter-company marketing

Cateora - Chapter 01 #35

Difficulty: Moderate

Type: Definition

36. (p. 12) _____ appreciate the economic efficiencies gained through globalization.

- A. anti-globalist
- B. skeptics
- C.** pro-globalist
- D. transformationalist
- E. pre-globalist

Cateora - Chapter 01 #36

Difficulty: Moderate

Type: Comprehension

37. (p. 10, Exhibit 1.1) All of the following are actions CEOs are taking or planning to take in the BRICs EXCEPT

- A. outsourcing to a third party
- B. off shoring with your own company
- C. opening new offices
- D.** align with pro-globalists for support
- E. forming alliance with partners

Cateora - Chapter 01 #37

Difficulty: Hard

Type: Comprehension

38. (p. 13) With respect to the environment in which a business operates in another country, such factors as competitive forces, political/legal forces, level of technology, and cultural forces would all be examples of what are called:

- A. controllable elements
- B. uncontrollable elements
- C. predictable elements
- D.** foreign uncontrollable elements
- E. cultural elements

Cateora - Chapter 01 #38

Difficulty: Easy

Type: Definition

39. (p. 14, Exhibit 1.2) All of the following would be considered to be controllable elements of marketing decisions EXCEPT:
- A. Product
 - B. Price
 - C. Promotion
 - D. Research
 - E.** All of these answers are correct

Cateora - Chapter 01 #39
Difficulty: Easy
Type: Definition

40. (p. 11, Exhibit 1.2) Considering the model of the international marketing task displayed in the text, which of the following reasons demonstrates the most important difference between the international marketer's task and that of the domestic marketer?
- A.** The international marketer must deal with at least two levels of uncontrollable uncertainty instead of one.
 - B. The international marketer must rely on at least two levels of controllable certainty instead of one.
 - C. The international marketer is never certain about demand.
 - D. The international marketer is never certain about supply.
 - E. All of these answers are correct.

Cateora - Chapter 01 #40
Difficulty: Moderate
Type: Comprehension

41. (p. 14) What makes international marketing interesting is the challenge of moulding the controllable elements of marketing decisions within the framework of the uncontrollable elements of the marketplace, in such a way that marketing objectives are achieved. Which of the following is not a controllable element?
- A. product development
 - B.** competitor advertising
 - C. price and distribution
 - D. promotion plans
 - E. strategies and tactics

Cateora - Chapter 01 #41
Difficulty: Moderate
Type: Comprehension

42. (p. 14, Exhibit 1.2) Robert Jonas is in charge of a new marketing effort directed toward Peru. In order for his company to effectively market and distribute to all of Peru's major cities, Mr. Jonas must devise a logistics plan for crossing the Andes Mountains on a daily basis. Which of the following foreign environment uncontrollable variables would be a chief concern as Mr. Jonas devises his plan?

- A. Competitive forces
- B. Cultural forces
- C. Geography and infrastructure**
- D. Economic forces
- E. Political/legal forces

Cateora - Chapter 01 #42

Difficulty: Moderate

Type: Application

43. (p. 12, Exhibit 1.2) All of the following appear as a foreign environment uncontrollable variable in the model of the international marketing task shown in the text EXCEPT:

- A. economic forces
- B. competitive forces
- C. product forces**
- D. cultural forces
- E. political/legal forces

Cateora - Chapter 01 #43

Difficulty: Easy

Type: Fact

44. (p. 14, Exhibit 1.2) Kelly Hubert has been assigned the task of preparing a company's marketing plan for the next year's business activities. She knows that she should begin her plan by examining the variables that she has some control over. These controllable variables would include price, product, promotion, and:

- A. Demand
- B. Supply
- C. Competition
- D. channels of distribution**
- E. economic climate

Cateora - Chapter 01 #44

Difficulty: Easy

Type: Application

Type: Fact

45. (p. 14) A political decision involving _____ can have a direct effect on a firm's international marketing success.

- A. domestic foreign policy
- B. retirement age
- C. the makeup of a board of directors
- D. farm subsidies
- E. airline regulation

Cateora - Chapter 01 #45

Difficulty: Moderate

Type: Fact

46. (p. 14) Which of the following would be a chief way that Canadian companies attempt to influence domestic foreign policy?

- A. A company could lobby with respects respect to its own interests.
- B. A company could attempt to bribe elected officials to influence policy decisions.
- C. A company could ask a foreign government to bring pressure on Canadian politicians.
- D. A company could threaten to withdraw operations from foreign markets.
- E. A company could threaten to increase prices for all products sold in the domestic market

Cateora - Chapter 01 #46

Difficulty: Hard

Type: Comprehension

47. (p. 15) Ralph Waite has just been assigned the task of reviewing his company's international investment opportunities. He knows that his view of the list of opportunities should be tempered by foreign environment uncontrollables that might be encountered. Which of the following would be the BEST illustration of a foreign environmental uncontrollable that Mr. Waite should investigate?

- A. A country's level of technology.
- B. Pricing policies in the foreign country.
- C. The ability to do research in the foreign country.
- D. Manufacturing capabilities in the foreign country.
- E. The ability to do advertising in the foreign country.

Cateora - Chapter 01 #47

Difficulty: Hard

Type: Application

Type: Comprehension

48. (p. 15) The _____ is an uncontrollable element that can often be misread because of the vast differences that may exist between developed and undeveloped countries.

- A. structure of distribution
- B. competitive forces
- C. economic forces
- D. political/legal forces
- E.** level of technology

Cateora - Chapter 01 #48

Difficulty: Hard

Type: Fact

49. (p. 16) The _____ and issues abroad are often amplified by the "alien status" of the company, which increases the difficulty of properly assessing and forecasting the dynamic international business climate.

- A. structure of distribution
- B. competitive forces
- C. economic forces
- D.** political/legal forces
- E. level of technology

Cateora - Chapter 01 #49

Difficulty: Moderate

Type: Fact

50. (p. 16) Which of the following would be the BEST illustration of the "alien status" found in the political and legal arena that sometimes cause problems for international marketers as they attempt to do business in foreign countries?

- A. A company in the U.K. recently purchased Ben & Jerry's ice cream operations.
- B.** The Indian government told Coca-Cola that it must reveal its "secret formula" if it wished to continue do business in India.
- C. Richard Branson's Virgin Cola was not widely accepted in the United States.
- D. French Canadians prefer French to English when conducting business in Canada.
- E. None of these answers is correct.

Cateora - Chapter 01 #50

Difficulty: Moderate

Type: Application

51. (p. 17) Global businesses must be willing to adjust and adapt a marketing program to a foreign market. In a broad sense, the environmental uncontrollable elements constitute the:

- A. Problem
- B. Opportunity
- C. Culture**
- D. Marketplace
- E. Commerce landscape

Cateora - Chapter 01 #51

Difficulty: Hard

Type: Comprehension

52. (p. 17) The difficulty facing the marketer in adjusting to a foreign culture lies in

- A. recognizing its unique characteristics and impact**
- B. creating an effective pricing strategy
- C. determining an effective distribution strategy
- D. developing an effective promotion strategy
- E. coordinating marketing efforts across countries

Cateora - Chapter 01 #52

Difficulty: Hard

Type: Comprehension

53. (p. 17) The task of _____ is the most challenging and important one confronting international marketers.

- A. care for the environment
- B. dealing with politics
- C. international standardization
- D. cultural adaptation**
- E. international branding

Cateora - Chapter 01 #53

Difficulty: Moderate

Type: Comprehension

54. (p. 17) Which of the following would illustrate the fact that international marketers need to make cultural adjustments as they seek to do business abroad?

- A. In North America, white is an accepted colour for wedding gowns; in Asia it is the colour of mourning.
- B. Time conscious Canadians are not culturally prepared to understand the meaning of time to Latin Americans.
- C. Women outnumber men in Canada.
- D. Most Middle Eastern women do not work outside the home.
- E. Both A and B are correct**

Cateora - Chapter 01 #54

Difficulty: Hard

Type: Application

55. (p. 17) _____ is the most challenging and important issue confronting international marketers: they must adjust their marketing efforts to cultures to which they are not attuned.

- A. Standardization
- B. Cultural adjustment**
- C. Segregation
- D. Cultural Segmentation
- E. None of these answers is correct

Cateora - Chapter 01 #55

Difficulty: Moderate

Type: Definition

56. (p. 18) The primary obstacles to success in international marketing are a person's _____ and an associated ethnocentrism.

- A. Regionalism
- B. Holism
- C. Self-reference criterion**
- D. Segregation
- E. Integration

Cateora - Chapter 01 #56

Difficulty: Easy

Type: Comprehension

57. (p. 18) _____ is an unconscious reference to one's own cultural values, experiences, and knowledge as a basis for decisions.

- A. Regionalism
- B. Holism
- C. Self-reference criterion, SRC**
- D. Segregation
- E. Xenophobia

Cateora - Chapter 01 #57

Difficulty: Moderate

Type: Definition

58. (p. 17 Crossing Borders 1.3) A misunderstanding can occur when a simple hand gesture has a number of different meanings in different parts of the world. When wanting to signify something is OK, most people in Canada raise a hand and make a circle with the thumb and forefinger. This same hand gesture means "zero" or "worthless" to the French, and "money" to the Japanese. The preceding is an illustration of what is called applying a _____ when reviewing the mentioned hand gesture.

- A. Holism
- B. Segregation
- C. Integration
- D. space command theory
- E. self-reference criterion, SRC**

Cateora - Chapter 01 #58

Difficulty: Moderate

Type: Application

59. (p. 18) Your _____ can prevent you from being aware that there are cultural differences or from recognizing the importance of those differences.

- A. Holism
- B. Personality
- C. demographic character
- D. self-reference criterion, SRC**
- E. concept of integration

Cateora - Chapter 01 #59

Difficulty: Easy

Type: Comprehension

60. (p. 18) The most effective way to control the influence of ethnocentrism and _____ is to recognize their effects on our behaviour.

- A. the self-reference criterion, SRC**
- B. Regionalism
- C. tunnel vision
- D. Standardization
- E. Xenophobia

Cateora - Chapter 01 #60

Difficulty: Moderate

Type: Fact

61. (p. 19) To avoid errors in business decisions, it is necessary to conduct a cross-cultural analysis that isolates the self-reference criterion influences. Which of the following:
- A. Redefine the problem without the SRC influence.
 - B. Solve the problem for the optimum business goal situation.
 - C. Isolate the SRC influence in the problem and examine it carefully to see how it complicates the problem.
 - D.** Define the business problem or goal in home-country cultural traits, habits, or norms.
 - E. Define the business problem or goal in foreign-country cultural traits, habits, or norms through consultation with natives of the target country.

Cateora - Chapter 01 #61

Difficulty: Hard

Type: Comprehension and Application

62. (p. 19) Surprisingly, understanding one's own culture may require additional study because
- A. our culture is changing all the time
 - B. much of the cultural influence on market behaviour remains at a subconscious level and is not clearly defined.
 - C. much of the cultural influence on market behaviour is at a conscious level but is not clearly defined
 - D.** market behaviour is determined by cultural influence
 - E. cultural behaviour
 - F. is determined by cultural influence

Cateora - Chapter 01 #62

Difficulty: Hard

Type: Comprehension and Application

63. (p. 20) At the corporate level global awareness can and should be built using which of the following approaches?
- A. Use of personnel who have personal relationships in target countries
 - B. Have successful long-term business relationships with foreign customers.
 - C. Utilize foreign agents and partners
 - D.** All of these answers are correct.
 - E. A only

Cateora - Chapter 01 #63

Difficulty: Hard

Type: Comprehension and Application

64. (p. 20) The successful businessperson in the twenty-first century will have _____ and a frame of reference that goes beyond a region or even a country and encompasses the world.

- A. a sense of fashion
- B. global awareness**
- C. an intimate knowledge of ecological problems
- D. a consumer mind-set
- E. a pronounced skill in promotion

Cateora - Chapter 01 #64

Difficulty: Moderate

Type: Fact

65. (p. 20) A true global mindset challenges the most fundamental beliefs, values, and experiences of virtually anyone who tries to develop it. In essence, it requires that the international marketing manager be

- A. global and local,
- B. cosmopolitan and home-driven,
- C. focused and yet understanding
- D. all of the above**
- E. B and C only

Cateora - Chapter 01 #65

Difficulty: Moderate

Type: Fact

66. (p. 21) There are a variety of stages in the process of becoming involved in international marketing. Which of the following best describes the stage of development where the company has permanent productive capacity devoted to the production of goods to be marketed in foreign markets.

- A. infrequent foreign marketing
- B. regular foreign marketing**
- C. no direct foreign marketing
- D. international marketing
- E. global marketing

Cateora - Chapter 01 #66

Difficulty: Easy

Type: Comprehension

67. (p. 21) At this stage a company seeks markets all over the world and sells products that are a result of planned production for markets in various countries.

- A. infrequent foreign marketing
- B. regular foreign marketing
- C. no direct foreign marketing
- D.** international marketing
- E. global marketing

Cateora - Chapter 01 #67

Difficulty: Moderate

Type: Comprehension

68. (p. 21-22) Unbeknownst to the business owner, some of the products are reaching foreign markets as a result of sales via the website. Which of the following stages BEST characterizes the stage of international marketing involvement for this company?

- A. infrequent foreign marketing
- B. regular foreign marketing
- C.** no direct foreign marketing
- D. international marketing
- E. global marketing

Cateora - Chapter 01 #68

Difficulty: Hard

Type: Application

69. (p. 21-22) Liz Gray's company treats the world, including the home market in Spain, as one market. Market segmentation decisions no longer focus on national borders. Instead, market segments are defined by income levels, usage patterns, and other factors that span countries and regions. Which of the following stages BEST characterizes the stage of international marketing involvement for Ms. Grays' company?

- A. infrequent foreign marketing
- B. regular foreign marketing
- C. no direct foreign marketing
- D. international marketing
- E.** global marketing

Cateora - Chapter 01 #69

Difficulty: Moderate

Type: Application

70. (p. 21-23) If a company basically sees the process of international marketing as one where the domestic company seeks a sales extension of its domestic products into foreign markets, the company is using which of the following concepts to formulate its international policies and strategies?

- A.** Domestic market extension concept
- B. Multi-domestic market concept
- C. Global marketing concept
- D. Universal marketing concept
- E. Standardized marketing concept

Cateora - Chapter 01 #70

Difficulty: Easy

Type: Comprehension

71. (p. 21-23) The Ajax Corporation has decided to enter the international marketing arena by marketing its products on a country-by-country basis, with separate marketing strategies for each country. The company is using which of the following concepts to formulate its international policies and strategies?

- A. Domestic market extension concept
- B.** Multi-domestic market concept
- C. Global marketing concept
- D. Universal marketing concept
- E. Standardized marketing concept

Cateora - Chapter 01 #71

Difficulty: Moderate

Type: Comprehension

72. (p. 23) Four relatively distinctive approaches that dominate strategic thinking in firms involved in international markets:

- Domestic market extension orientation
- Multi-domestic market orientation
- Regional market orientation
- Global market orientation

The Domestic market extension orientation reflects a(n) _____ approach

- A.** Ethnocentric
- B. Polycentric
- C. Regiocentric
- D. Geocentric
- E. Strategeocentric

Cateora - Chapter 01 #72

Difficulty: Moderate

Type: Comprehension

73. (p. 23) Four relatively distinctive approaches that dominate strategic thinking in firms involved in international markets:

- Domestic market extension orientation
- Multi-domestic market orientation
- Regional market orientation
- Global market orientation

The Multi-domestic market orientation reflects a(n) _____ approach

- A. Ethnocentric
- B.** Polycentric
- C. Regiocentric,
- D. Geocentric
- E. Strategeocentric

Cateora - Chapter 01 #73
Difficulty: Moderate
Type: Comprehension

74. (p. 8) For the first time in history _____ is pulling out of international markets in both Latin America and the Middle East.

McDonald's

Cateora - Chapter 01 #74
Difficulty: Moderate
Type: Fact

75. (p. 6) Although interrupted by economic recessions every _____ years or so, an unprecedented long-term global economic boom has been under way since the late 1940s as the drive for efficiency, productivity, and open, unregulated markets sweeps the world.

Ten

Cateora - Chapter 01 #75
Difficulty: Moderate
Type: Fact

76. (p. 7) It was recognized internationally that _____ weathered the 2008-2009 recession much better than any other developed country, largely as a result of having a banking system in place that prevented some of the most deleterious effects of the crisis from materializing.

Canada

Cateora - Chapter 01 #76
Difficulty: Moderate
Type: Fact

77. (p. 14, Exhibit 1.2) Such domestic environmental elements as Political/Legal, Competitive structure, Economic climate are called _____ elements.

uncontrollable

Cateora - Chapter 01 #77

Difficulty: Moderate

Type: Comprehension

78. (p. 17) The task of _____ adjustment is the most challenging and important one confronting international marketers: They must adjust their marketing efforts to cultures to which they are not tuned.

Cultural

Cateora - Chapter 01 #78

Difficulty: Moderate

Type: Fact

79. (p. 18) A person's self-reference criterion (SRC) is often associated with a term called _____.

ethnocentrism

Cateora - Chapter 01 #79

Difficulty: Moderate

Type: Fact

80. (p. 18) A person's _____ is an unconscious reference to one's own cultural values, experiences, and knowledge as a basis for decisions.

self-reference criterion (SRC)

Cateora - Chapter 01 #80

Difficulty: Moderate

Type: Definition

81. (p. 20) To be _____ aware is to have 1) tolerance of cultural differences, and 2) knowledge of cultures, history, world market potential, and global economic, social, and political trends.

Globally

Cateora - Chapter 01 #81

Difficulty: Moderate

Type: Comprehension

82. (p. 21) There are ____ stages of International Marketing Involvement, as described in the text.

five

Cateora - Chapter 01 #82

Difficulty: Moderate

Type: Comprehension

83. (p. 22) At the _____ marketing level, companies treat the world, including their home market, as one market.

Global

Cateora - Chapter 01 #83

Difficulty: Hard

Type: Fact

84. (p. 24) A company with a _____ **orientation** seeks a sales extension of its domestic products into foreign markets. It views its international operations as secondary to and an extension of its domestic operations; the primary motive is to market excess domestic production.

Domestic Market

Cateora - Chapter 01 #84

Difficulty: Moderate

Type: Definition

85. (p. 24) A company guided by the _____ orientation have a strong sense that country markets are vastly different (and they may be, depending on the product) and that market success requires an almost independent program for each country. Firms with this orientation market on a country-by-country basis, with separate marketing strategies for each country.

Multi-domestic

Cateora - Chapter 01 #85

Difficulty: Moderate

Type: Definition

86. (p. 6) Please list and describe five of the major world events that occurred during the first decade of the new millennium

A short list of just some other major events that marked the first decade of the new century would include the wars in Afghanistan and Iraq; terrorist attacks in Spain, Great Britain, Mali, and some of the former Soviet republics; major health threats, such as SARS (which "grounded" Toronto for a while), mad cow disease (which, among other effects, had a devastating impact on Canada's beef industry), avian flu, and H1N1; tensions arising from the growth of Islamic fundamentalism and the potential development of nuclear capabilities by such countries as North Korea and Iran; regional disputes, as between China and Taiwan, and outright calamities, like the war and humanitarian crisis in Darfur; environmental disasters, including the Indian Ocean tsunami of 2004 and the earthquakes that hit Haiti and Chile in 2010; and, in business, several major scandals, such as Enron, Tyco, and WorldCom in the U.S., Parmalat in Italy, as well as the global recall of millions of cars by Toyota, the iconic brand and symbol of Japanese quality, in early 2010, due to a variety of safety failures—all of which shook people's trust in big business and led to the current emphasis on governance and social responsibility issues.

Cateora - Chapter 01 #86
Difficulty: Moderate
Type: Comprehension

87. (p. 8) Rick Russell owns a small company that specializes in waste cleanup on the high seas. He believes that his company can grow dramatically if he can find foreign partners and investors. According to the events and trends cited in the text as affecting global business today, which of these trends would have the most impact on Mr. Russell's business? Explain your rationale.

After reviewing the trends, the trend that is most likely to affect Russell's operation is the sixth trend--the imperative to properly manage the resources and global environment for the generation to come. Students should supply their own rationale. If another trend is chosen, it should be explained, characterized, and justified.

Cateora - Chapter 01 #87
Difficulty: Moderate
Type: Application

88. (p. 8) Please list and describe five of the seven major events and trends affecting global business today as identified in the text.

Of all the events and trends affecting global business today, seven stand out as the most dynamic—those that will influence the shape of international business beyond today's bumpy roads and far into the future:

- 1) the rapid growth of the World Trade Organization and regional free trade areas such as the North American Free Trade Area and the European Union;
- 2) the trend towards the acceptance of the free market system among developing countries in Latin America, 6 Asia, and Eastern Europe;
- 3) the burgeoning impact of the Internet 7, mobile phones, and other global media on virtually every sphere of life;
- 4) changing geopolitics, including the threats of terrorism 8 and continuing or new armed conflicts;
- 5) the rise of new major producing and consuming nations, such as the BRICs (Brazil, Russia, India, China); 9
- 6) the imperative to properly manage resources and the global environment for the generations to come; and
- 7) the long-term effects of the adjustments that national, international, and subnational governments are undertaking currently to address the effects of the 2008-09 crisis and reduce the probability of such severe crises occurring again in the future.

Cateora - Chapter 01 #88
Difficulty: Hard
Type: Comprehension

89. (p. 8) Canada's refusal to enter Iraq along with the American-British-led coalition has positioned it more favourably in the eyes of European, Arab, and developing world peoples. At the same time, the decision has strained relations with the United States. Calgary-based ATCO Structures Inc. completed construction on 1,400 trailers in Iraq and became the first company from Canada to wrap up work as a subcontractor there ATCO's project came after months of controversy over whether Canadian businesses would be shut out of lucrative contracts in Iraq because Ottawa did not support the U.S.-led war.
Why would Canadian company's be excluded from bidding on contracts in Iraq?

The Bush administration was attempting to use the contracts to reward countries who supported the invasion, and to punish the countries opposed to the invasion.

Cateora - Chapter 01 #89
Difficulty: Hard
Type: Comprehension

90. (p. 14) List and describe the environment of an international marketer. Include the domestic controllable elements that constitute a marketer's decision area, those environmental elements at home that have some effect on foreign-operation decisions, and the elements of the foreign environment for each foreign market within which the marketer operates.

See exhibit 1.2 on page 14

Cateora - Chapter 01 #90
Difficulty: Hard
Type: Comprehension

91. (p. 14, Exhibit 1.2) Scott Web Services has decided to go international with their new anti-spam software. Using the International Marketing Task model shown in the text, discuss which factors will impact Scott Web Services the most as it gears up to pursue international expansion.

To effectively answer this question, students must be familiar with Exhibit 1.2. Students can comment on the inner ring (domestic controllables), middle ring (domestic environment [uncontrollables]), and the outer ring (foreign environment [uncontrollables]). Students should focus on the technological aspects of the company, political/legal forces, competitive forces, and cultural forces that might impact the company. Students can be creative with this answer; therefore, you might wish to establish ground rules or guidelines.

Cateora - Chapter 01 #91
Difficulty: Hard
Type: Application

92. (p. 11-14, Exhibit 1.2) Explain the differences between the domestic environment uncontrollable elements and the foreign environment uncontrollable elements.

According to information presented in the text and in Exhibit 1.2, the domestic environmental uncontrollable elements include the political/legal forces, competitive structure, and the economic climate. The foreign environment is more inclusive with the following elements political/legal forces, economic forces, competitive forces, level of technology, structure of distribution, geography and infrastructure, and cultural forces. For additional information on differences see page 14.

Cateora - Chapter 01 #92
Difficulty: Hard
Type: Comprehension

93. (p. 19) The director of a medium-sized Goodyear tire plant in India was distraught one day when the eldest son of a sales manager who had passed away unexpectedly a month earlier showed up at his office prepared to assume his father's job. In Indian culture, the eldest son is expected to take on the role of family head in the event of the father's death. In some Indian societies, the assumption of the role includes the father's occupation and title—even though in many cases, including this one, the son does not possess the skills needed for the job in question. The director was facing a genuine predicament. If he handled the situation based on North American cultural expectations, the son would be told in no uncertain terms that the job was not his—but doing so could have an adverse effect not only on the son but also on the staff and perhaps even with certain key "traditionalist" clients. What was the director to do? It was imperative that he respect the cultural norms of the local community, yet he was compelled to perform according to the normal standards of his company, which certainly did not include "heredity" as a criterion of employment. What process might you consider following to guide you towards a solution?

To avoid making errors in business decisions, it is necessary to conduct a cross-cultural analysis that isolates the SRC influences and to maintain a vigilance regarding ethnocentrism. We suggest the following steps as a framework for such an analysis:

- Define the business problem or goal in home-country cultural traits, habits, or norms.
- Define the business problem or goal in foreign-country cultural traits, habits, or norms through consultation with natives of the target country. Make no value judgments.
- Isolate the SRC influence in the problem and examine it carefully to see how it complicates the situation.
- Redefine the problem without the SRC influence and solve for the optimum business goal situation.

Cateora - Chapter 01 #93

Difficulty: Hard

Type: Comprehension

94. (p. 19) To be an effective international marketer, why is it necessary to master cultural adjustment? Explain.

The marketers must adjust their marketing efforts to cultures to which they are not attuned. In dealing with unfamiliar markets, marketers must be aware of frames of reference they are using in making their decisions or evaluating the potential of a market. As an illustration, the story goes that two shoe salesmen report back to their companies after making a survey trip to an impoverished portion of Africa. One salesman says, "there is no market for shoes--no one has any money--poverty is everywhere." The other shoe salesman (representing world famous Bata shoe company) says, "great news, everybody needs shoes." Bata leads the world in selling shoes to third-world countries.

Cateora - Chapter 01 #94

Difficulty: Moderate

Type: Comprehension

95. (p. 19) Explain the concept of the self-reference criterion (SRC).

SRC is an unconscious reference to one's own cultural values, experiences, and knowledge as a basis for decisions. The concept is closely associated with ethnocentrism.

Cateora - Chapter 01 #95

Difficulty: Moderate

Type: Definition

96. (p. 19) You are about to eat at a friend's house for dinner. However, your friend is from a foreign country and you are sure that his family will have prepared an ethnic meal for you. Explain how your self-reference criterion (SRC) might cause you problems with your upcoming new experience. What should do about this?

This example is created to stimulate students into thinking about how that their own "cultural baggage" can sometimes make a new experience frightening. Eating strange food among "foreigners" is a common occurrence. Stimulate students think about what SRC is and how it can either hinder or help a relationship. For additional information on SRC, see page 19.

Cateora - Chapter 01 #96

Difficulty: Easy

Type: Application

97. (p. 19) To avoid errors in business decisions, it is necessary to conduct a cross-cultural analysis that isolates the self-reference criterion influences. List the four steps that make up the framework for such an analysis.

The steps are: (1) define the business problem or goal in home-country cultural traits, habits, or norms; (2) define business problem or goal in foreign-country cultural traits, habits, or norms through consultation with natives of the target country--make no value judgments; (3) isolate the SRC influence in the problem and examine it carefully to see how it complicates the problem; and, (4) redefine the problem without the SRC influence and solve for the optimum business goal situation.

Cateora - Chapter 01 #97

Difficulty: Hard

Type: Comprehension

98. (p. 20) In order for a company to globally aware, the company must do what two things (according to the text)?

The company must (1) have a tolerance for cultural differences and (2) have a knowledge of cultures, history, world market potential, and global economic, social, and political trends.

Cateora - Chapter 01 #98

Difficulty: Moderate

Type: Comprehension

99. (p. 22) With respect to a strategic orientation to conducting international marketing, describe the global marketing concept.

The global marketing concept views an entire set of country markets (whether the home market and only one other country, or the home market and 100 other countries) as a unit, identifying groups of prospective buyers with similar needs as a global market segment and developing a marketing plan that strives for standardization wherever it is cost and culturally effective.

Cateora - Chapter 01 #99
Difficulty: Moderate
Type: Comprehension
Type: Definition

100. (p. 20) At the corporate level global awareness can and should be built using several approaches, describe the approaches discussed in your textbook

Using personnel who have personal relationships in target countries, successful long-term business relationships with foreign customers, foreign agents and partners who can help ease the company's move into a new market. Also, selecting and training managers who have, or at least have the potential to develop, a global mindset.

Cateora - Chapter 01 #100
Difficulty: Moderate
Type: Comprehension

101. (p. 21) List the five stages of international marketing involvement:

(1) No direct foreign marketing, (2) Infrequent foreign marketing, (3) Regular foreign marketing, (4) International foreign marketing, and (5) Global Marketing

Cateora - Chapter 01 #101
Difficulty: Moderate
Type: Definition

102. (p. 24) There are four relatively distinctive approaches (orientations) that dominate strategic thinking in firms involved in international markets. Please list and describe these orientations and discuss how they relate to the "EPRG" framework.

- Domestic market extension orientation
- Multi-domestic market orientation
- Regional market orientation
- Global market orientation

The EPRG framework is Ethnocentric, Polycentric, Regiocentric, and Geocentric
See page 24 for more detail

Cateora - Chapter 01 #102

Difficulty: Hard

Type: Comprehension

c1 Summary

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