Package Title: Clickers

Course Title: Boone, Kurtz, Khan, Canzer, Contemporary Business, Third Canadian Edition

Chapter Number: 04

Question type: Multiple Choice

1) Which one of the following is not a part of a country’s *infrastructure*:

a) Economic measures

b) Telecommunications

c) Power plants

d) Transportation systems

Answer: a

2) Taxes, surcharges, or duties on foreign products are referred to as:

a) Tariffs.

b) Seeding.

c) Quotas.

d) Dumping.

Answer: a

3) A country has a(n) \_\_\_\_\_\_\_\_\_\_\_ in making a product for which it can maintain a monopoly or that it can produce at a lower cost than any competitor.

a) Trade surplus

b) Trade deficit

c) Absolute advantage

d) Comparative advantage

Answer: c

4) Which one of the following is **not** an organization that promotes international trade?

a) WTO

b) IMF

c) IEC

d) World Bank

Answer: c

5) \_\_\_\_\_\_\_\_ occurs when there is a drop in a currency’s value relative to other currencies or a fixed standard.

a) Exchange rate

b) Payment deficit

c) Imbalance of payments

d) Devaluation

Answer: d

6) The \_\_\_\_\_\_\_\_ was created to promote trade through financial cooperation and eliminate barriers by making short-term loans to member nations.

a) World Bank

b) International Bank

c) International Monetary Fund

d) Global Assistance Fund

Answer: c

7) In the last decade, many large-scale companies have moved production processes of their products to smaller nations. Many business leaders have chosen to do so as a result of the low production and operation costs in less industrialized areas. This is an example of:

a) Subcontracting

b) A global business strategy

c) Outsourcing

d) Offshoring

Answer: d

8) When a country exports more than it imports, it results in a:

a) Balance of trade

b) Trade deficit

c) Trade surplus

d) Comparative advantage

Answer: c

9) One example of a free-trade area that is enacted by the United States, Canada, and Mexico is called

a) Gross Domestic Product.

b) North American Free Trade Agreement.

c) Central America–Dominican Republic Free Trade Agreement.

d) European Union.

Answer: b

10) The automobiles that Canadian manufacturers sell in the United States are \_\_\_\_\_\_\_\_\_\_\_\_\_\_, whereas the metals purchased from foreign countries in order to manufacture the automobiles are \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

a) Imports, exports

b) Products, materials

c) Sales, investments

d) Exports, imports

Answer: d

11) Why are less developed countries attractive to North American businesses?

a) Their GDP is the same as Canada and the United States.

b) Their per capita incomes are the same as those in Canada and the United States.

c) Businesses want to benefit from local sales as a result of expanding economies and rising standards of living in less developed countries.

d) Businesses can earn higher profits in less developed countries.

Answer: c

12) Which of the following is not a trade restriction?

a) Quotes

b) Embargoes

c) Tariffs

d) Exchange rates

Answer: d

13) Before deciding to go global, a company must make many key decisions. Which of the following is not a key decision?

a) Which foreign market(s) to enter

b) The costs of entering a new market

c) Where the product should be produced

d) The best way to organize the overseas operations

Answer: c

14) A plan to develop and market products to serve different needs and tastes in separate national markets is called \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

a) Global business strategy

b) Multidomestic business strategy

c) International business strategy

d) Foreign business strategy

Answer: b