

MID-TERM EXAM

INTERNATIONAL MARKETING

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CHAPTER 1

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1. Which of the following is not one of the forms of international marketing defined in the text?

- A. Government-owned operations
- B. Licensing
- C. Joint ventures
- D. Wholly owned subsidiaries

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CHAPTER 1

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2. Which of the following statements is not true when describing international transactions?

- A. Marketing internationally needs to be pursued, often aggressively.
- B. Those who do not participate in the transaction are still exposed to the changing influences of international marketing.
- C. International marketing can be as much art as science.

D. The international marketer recognises the changing nature of transactions but is not part of the exchange.

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CHAPTER 1

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3. Which of the following trading blocs does not exist?

- A. NAFTA in North America
- B. European Union in Europe
- C. ASEAN Free Trade Area (AFTA) in Asia
- D. Bilateral trade agreements between China and India**

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CHAPTER 1

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4. _____ refers to the capability of attracting and influencing all stakeholders, whether through energetic brands, heroic missions, distinctive talent development or an inspirational corporate culture.

- A. Hard power
- B. Soft power**
- C. Influential power
- D. Media power

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CHAPTER 1

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5. Which of the following has traditionally been a domestic issue and is now an international issue?

- A. Geographic boundaries of cities
- B. The flow of water through dam diversion tunnels
- C. Applications for government subsidies
- D. Agriculture and farm policies affecting imports and exports**

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CHAPTER 1

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6. Which country has had the most dramatic growth in exports in the period 1990–2004?

- A. Japan
- B. India**
- C. USA
- D. China

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CHAPTER 1

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7. Generally, the strategic business unit (SBU) is the unit around which decisions are based. In practice, SBUs represent groupings organised around market similarities based on:

- A. needs or wants to be met.
- B. end-user customers to be targeted.
- C. the product or service used to meet the needs of specific customers.
- D. All of these choices**

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CHAPTER 1

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8. A _____ is defined by its emphasis on a single industry segment, within which the orientation may be toward either low cost or differentiation. _____ is characterised by a company offering products or services at a lower cost than the competition. A _____ is industry-wide or focused on a single segment and takes advantage of the marketer's real or perceived uniqueness in elements such as design or after-sales service.

- A. differentiation strategy; cost leadership; focus strategy
- B. differentiation strategy; low-price leadership; focus strategy
- C. focus strategy; cost leadership; differentiation strategy**
- D. price leadership; cost leadership; differentiation strategy

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CHAPTER 1

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9. All of the following are characteristics of the first stage of the global marketing evolution of a company, except:

- A. Entry is constrained by a lack of funding (domestic growth still priority investment), so entry is low-cost
- B. The risk tends to be minimised by entering close markets (geographically, culturally and economically)
- C. The entry is based on core products with technical superiority
- D. The objective is to achieve economies of scope**

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CHAPTER 1

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10. Which of the following events helped identify global linkages, causing the world to realise that the systems of product development, distribution and consumption are intertwined and related?

- A. The worldwide oil crisis of 1970**
- B. Gulf War One and Gulf War Two
- C. The Second World War
- D. The opening of the Suez Canal

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CHAPTER 2

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11. When assessing a market's potential an international marketer should consider:

- A. income, infrastructure, information and internationalisation.
- B. population, income, consumption patterns and geography.**
- C. income, infrastructure and information.
- D. consumption patterns, infrastructure and topology.

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CHAPTER 2

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12. Which of the following statements is correct?

- A. The increased urbanisation of many markets has not distinctly changed consumption patterns.
- B. Urban areas provide larger groups of consumers who may be less receptive to marketing efforts.
- C. The concept of urbanisation has different meanings depending on where one operates.**
- D. None of the above

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CHAPTER 2

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13. According to the textbook, the newly industrialised countries (NICs) are:

- A. Singapore, Malaysia, Thailand, Myanmar, Cambodia and the Philippines.
- B. Singapore, Taiwan, Thailand, Korea, Chile and Mexico.
- C. Singapore, Taiwan, Korea, Hong Kong, Bengali and Malacca.
- D. Singapore, Taiwan, Korea, Hong Kong, Brazil and Mexico.**

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CHAPTER 2

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14. BRIC is an acronym for:

- A. Brazil, Russia, India and China.**
- B. Burma, Russia, India and China.
- C. Britain, Russia, India and China.
- D. Brazil, Russia, India and Czech Republic.

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CHAPTER 2

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15. The international marketer can use which of the following classification as a planning guide?

- A. Very low family incomes: subsistence economies tend to be characterised by rural populations in which consumption relies on personal output or barter. Some urban centres may provide markets.
- B. Very low, very high family incomes; some countries exhibit strongly bimodal income distributions. The majority of the population may live barely above the subsistence level, but there is a strong market in urban centres and a growing middle class. The affluent are truly affluent and will consume accordingly.
- C. Low, medium and high family incomes; industrialisation produces an emerging middle class with increasing disposable income.

D. All of these choices

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CHAPTER 3

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16. Which of the following WTO is not responsible for?

- A. The General Agreement on Trade in Services (GATS)
- B. Agreements on trade-related aspects of intellectual property rights (TRIPS) and trade-related investment measures (TRIMS)
- C. The administration of a broad variety of international trade and investment accords

D. Helping impoverished and developing nations

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CHAPTER 3

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17. Which of the alternatives represents a challenge for the IMF in the next years?

- A. It is quite unclear whether stringent economic rules and performance measures are equally applicable to all countries seeking IMF assistance.
- B. New economic conditions that have not been experienced to date, such as the privatisation of formerly centrally planned economies, may require different types of approaches.
- C. The link between economic and political stability requires more and different considerations, therefore magnifying but also changing the mission of the IMF.

D. All of these choices

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CHAPTER 3

20

18. How many countries are members of the World Trade Organisation till 30/11/2015?

- A. 53 countries
- B. 98 countries
- C. 162 countries**
- D. 201 countries

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CHAPTER 3

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19. The World Trade Organization has its origins in:

- A. the COMECON agreement.
- B. the GATT agreement.**
- C. the SAARC agreement.
- D. the Maastricht Treaty.

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CHAPTER 3

22

20. Which of the following is not a market agreement?

- A. Group of Eight**
- B. The Mercosur in Latin America
- C. The Gulf Cooperation Council (GCC)
- D. North American Free Trade Agreement (NAFTA)

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CHAPTER 4

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21. All of the following statements are correct, except:

- A. A key legal perspective that survives today is that of theocracy, which has faith and belief as its key focus and is a mix of societal, legal and spiritual guidelines.
- B. Common law is based on tradition and depends less on written statutes and codes than on precedent and custom.
- C. Code law is based on a comprehensive set of written statutes. Countries with code law try to spell out all possible legal rules explicitly.

D. Sanitary and phytosanitary regulations can be used as a non-technical trade barrier.

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CHAPTER 4

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22. Which of the following governmental activities are not of major concern to the international marketer?

- A. National infrastructure programs**
- B. Embargoes or trade sanctions
- C. Export and import controls
- D. The regulation of international business behaviour

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CHAPTER 4

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23. Where do violations of intellectual property rights occur?

- A. Anywhere someone infringes upon the rights of companies and individuals**
- B. In developing economies
- C. In Asia, South America and Africa
- D. Both B and C

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CHAPTER 4

26

24. When goods enter a market in ways not desired by their manufacturers, this is known as:

- A. embezzlement.
- B. soft goods solicitation.
- C. fortressing.
- D. grey market.**

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CHAPTER 4

27

25. Political risks are best described as any governmental actions or politically motivated events that:

- A. suggest the firm is legally responsible for specific wrongdoings.
- B. negatively affect the firm's long-run profitability or value.**
- C. interfere with the personal safety of the firm's employees.
- D. harm the firm's capacity to meet consumer demands.

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CHAPTER 5

28

26. Which of the following is correct?

- A. According to Hofstede, culture is the 'collective programming of the mind'.
- B. Culture is inherently conservative, resisting change and fostering continuity.
- C. Culture is defined as an integrated system of learned behaviour patterns that are distinguishing characteristics of the members of any given society. It includes everything that a group thinks, says, does and makes – its customs, language, material artefacts and shared systems of attitudes and feelings.
- D. All of these choices**

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CHAPTER 5

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27. Marketers who bring about cultural change through dramatic campaigns without the adaptation of culture-specific elements can be accused of:

- A. post-cultural antagonism.
- B. bilateral modernism.
- C. linguistic lethargy.
- D. cultural imperialism.**

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CHAPTER 5

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28. Which of the following is not true?

- A. The official language in Brazil is Spanish.
- B. Singapore has English as its only official language.
- C. Venezuelans speak French.
- D. None of the above**

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CHAPTER 5

31

29. Which of the following is incorrect about language?

- A. Since the territory's return to China in 1997, the Hong Kong government is promoting the use of Cantonese rather than English as the language of commerce.
- B. Language also has to be understood in its historical context.
- C. Language is only a communication medium.**
- D. All of these choices

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CHAPTER 5

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30. In regards to time flexibility, which one of the following is correct?

- A. Time is never flexible.
- B. Deadlines have the same meaning in several countries.
- C. In business meeting in South America it is perfectly acceptable to arrive late for a meeting.**
- D. In the USA 'time is money'.

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CHAPTER 7

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31. Which of the following is not a reactive reason why firms go international?

- A. Managerial urge**
- B. Overproduction
- C. Excess capacity
- D. Proximity to customers and ports

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CHAPTER 7

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32. _____, _____, _____ and investment climate are the main causes of FDI.

- A. Market factors; barriers of trade; cost factors**
- B. Government resources; economies of scale; risk management
- C. Market factors; government resources; cost factors
- D. Reactive factors; proactive factors; risk management.

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CHAPTER 7

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33. Which of the following is not a proactive reason why firms go international?

A. A firm may produce goods or services that are not widely available from international competitors or may have made technological advances in a specialised field.

B. They have exclusive market information, such as knowledge about customers and marketplaces.

C. The size of the international market may enable the firm to increase output and slide more rapidly on the learning curve.

D. During downturns in the domestic business cycle, markets abroad provided an ideal outlet for high inventories.

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CHAPTER 7

36

34. Which of the following is not an external change agent in the internationalisation process?

A. Demand

B. Domestic distributors

C. Export management companies

D. New management

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CHAPTER 7

37

35. Which of the following is considered a proactive motivation to go international?

A. Competitive pressures

B. Unique products

C. Over-production

D. Excess capacity

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CHAPTER 7

38

36. Which of the following is considered a reactive motivation to go international?

- A. Profit advantage
- B. Saturated domestic markets**
- C. Managerial urge
- D. Technological advantage

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CHAPTER 7

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37. Historically, during downturns in the domestic business cycle, markets abroad provided an ideal outlet for high inventories. Such international market expansion does not represent full commitment by management, but rather a temporary _____ designed for short-term activities

- A. investment
- B. psychic distance
- C. safety valve activity**
- D. production

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CHAPTER 7

40

38. Which of the following is not a specialisation market intermediaries bring?

- A. External cultural understanding**
- B. Detailed information about the competitive conditions in certain markets
- C. Evaluation of credit risk
- D. Personal contacts with potential buyers abroad

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CHAPTER 7

41

39. Conditions used to be such that the first entrant into a foreign market could count on being the leader for years, but in today's marketplace, the competitive edge is not as great because:

A. of competing technology and frequent lack of intellectual property rights protection.

B. competing domestic firms were there first.

C. globalisation and the internet do not allow there to be a 'first firm'.

D. most countries do not allow the first entrant to be a foreign firm.

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CHAPTER 7

42

40. Which of the following is the primary outside influence on a firm's decision to become international?

A. In more than half of all cases, unsolicited orders

B. To take advantage of holiday destinations in colder months

C. Foreign demand

D. To satisfy a desire for continuous growth and market expansion

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