GLOBAL BUSINESS

1. Multinational corporations also can be called:
   a. countrywide, international, or worldwide
   b. continental, international, or countryside
   c. global, transnational, or worldwide
   d. worldwide, continental, or transcontinental

   **Competency:** Basic International Concepts
   **Task:** Define international business and explain terms and concepts related to international business and marketing.

2. Vietnamese entrepreneurs set aside money to cover financial losses. This is called risk:
   a. reduction
   b. sharing
   c. avoidance
   d. assumption

   **Competency:** Ownership and Management
   **Task:** Identify risks and rewards related to doing business in a foreign market.

3. Which of the following is **not** a source of international law?
   a. an arbitrator
   b. general principles of law
   c. treaties and conventions
   d. customs

   **Competency:** Legal Issues
   **Task:** Describe the difference between the legal systems of various countries and the United States (e.g. codes, statutes, and common law).

4. Of the following countries, the one in which there are strong ties between family and business is:
   a. Mexico
   b. Canada
   c. Australia
   d. United States

   **Competency:** Communication (including culture and language)
   **Task:** Define terms such as culture, multiculturalism, stereotyping, and cultural bias and their effects on conducting business internationally.
5. A political influence of the marketing environment would be a nation’s:
   a. type of government
   b. population distribution
   c. system of schools
   d. religious beliefs

   **Competency:** Marketing
   **Task:** Describe what a company must consider when marketing a product/service in other countries.

6. The Double Taxation Avoidance Treaty is an agreement between countries to:
   a. increase taxes on imports to protect national corporations by lowering their corporate income tax
   b. prevent taxes levied twice on the same product
   c. provide taxes on sales of products in both countries
   d. lower the taxes paid on products produced in one country and sold in another

   **Competency:** Taxes and Government Regulations
   **Task:** Discuss the impact of inflation and tax structures on international business decisions.

7. __________ is Europe's trading bloc.
   a. World Trade Organization
   b. European Union
   c. NAFTA
   d. North Atlantic Treaty Organization

   **Competency:** Treaties and Trade Agreements
   **Task:** Discuss the benefits to countries for entering into trade agreements

8. The __________ is the common currency for 12 European Union countries.
   a. Euro
   b. Peso
   c. Dollar
   d. Franc

   **Competency:** Currency Exchange
   **Task:** Identify factors that affect the value of currency and calculate foreign exchange rates of various currencies.
9. ____________ is/are income paid or deemed paid to the shareholders of the corporation from the residual earnings of operations.
   a. VAT
   b. Royalties
   c. Dividends
   d. Interest

   **Competency:** Finance
   **Task:** List sources of capital for international, transnational, multinational, and global companies.

10. When conducting ethical global business, CEOs should not ask themselves if their proposals are:
    a. true
    b. beneficial
    c. fair
    d. endearing

   **Competency:** Ethics
   **Task:** Identify current and emerging ethical issues in the global business environment.
Global Business Answer Key

1) C
2) D
3) A
4) A
5) A
6) B
7) B
8) A
9) C
10) D