

TEST BANK



4th Edition

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GLOBAL MARKETING

FT Prentice Hall
PEARSON EDUCATION

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 1) _____ is the fundamental reason for exporting. 1) _____
A) Greed B) Making money
C) Increasing market share D) Diversification
- 2) All the following are examples of microeconomic factors except for: 2) _____
A) cost of entry B) economic factors
C) ease of entry D) competitors
- 3) Mercosur represents a regional trade agreement between: 3) _____
A) Uruguay, Paraguay and Venezuela
B) USA, Mexico and Canada
C) Brazil, Argentina, Uruguay, Venezuela and Paraguay
D) Brazil, Argentina, Ecuador, Mexico and USA
- 4) One of the major reasons why some organizations are reluctant to engage in global marketing research is that: 4) _____
A) they do not have enough time to dedicate to it
B) they are not sensitive to cross-cultural customer tastes and preferences
C) they do not possess enough financial resources
D) they do not think it is relevant
- 5) In which way do Japanese firms typically exploit foreign market opportunities? 5) _____
A) by using psychological pricing strategies
B) through mass communication where their strengths in technological innovation are emphasized
C) by using penetration pricing strategies
D) by using perceived-value pricing strategies
- 6) According to Svend Hollensen, the main internal triggers of export initiation are: 6) _____
A) perceptive management
B) importing as inward internationalization
C) specific internal event
D) all the above
- 7) Porter (1990) defined a concentration of firms within a certain industry as: 7) _____
A) market leaders B) industrial clusters
C) focused firms D) ethnocentric firms
- 8) The following represent major proactive reasons for initiating export: 8) _____
A) managerial urge and tax benefits
B) technology competence and economies of scale
C) profit and growth goals
D) all the above
- 9) _____ are considered to represent barriers that hinder export initiation.

9)

- _____
- A) The lack of export commitment and lack of productive capacity to dedicate to foreign markets
 - B) Insufficient finances and cost escalation due to high export manufacturing, distribution and financing expenditures
 - C) The lack of foreign market connections and management emphasis on developing domestic markets
 - D) All the above

10) GATT stands for: 10) _____

- A) General Agreement on Trade and Transportation
- B) Global Agreement on Transport and Trade
- C) Greek Association of Technology and Trade
- D) General Agreement on Tariffs and Trade

11) Among the main reactive reasons for Haier's Group internationalization was(were): 11) _____

- A) the competitive pressures and the saturation of its domestic market
- B) the geographic location in respect of its international customers
- C) the need to dispose of its excess capacity
- D) all the above

12) One of the following does not represent a political risk in the internationalization process: 12) _____

- A) lack of tax incentives for companies that export
- B) complexity of trade documentation
- C) difficulties in obtaining export financing
- D) civil strife, revolution and wars disrupting foreign markets

13) One of the following is not a major proactive motif for initiating export: 13) _____

- A) overproduction/excess capacity
- B) foreign market opportunities
- C) profit and growth goals
- D) tax benefits

14) Semiotics represents the study of _____ in the context of consumer experience: 14) _____

- A) traditions
- B) language
- C) feelings
- D) signs

15) Which of the following is not a major reactive motif for initiating export? 15) _____

- A) competitive pressures
- B) unsolicited foreign orders
- C) foreign market opportunities/market information
- D) proximity to international customers/psychological distance

16) Which of the following factors is not part of the natural environment of an organization? 16) _____

- A) water supply
- B) climate
- C) mineral resources
- D) education

- 26) In Svend Hollensen's view, ' _____ are perhaps the most critical factor in the initiation of the internationalization process in the SME': 26) _____
- A) marketing expenses
 - B) production and transport cost
 - C) information and knowledge
 - D) costs with human resources
- 27) GAFTA stands for: 27) _____
- A) General Arab Free Transport Area
 - B) Greek Association of Film, Television and Arts
 - C) Greater Arab Free Trade Area
 - D) General American Free Trade Area
- 28) One of the following does not represent a commercial risk in the internationalization process: 28) _____
- A) national export policy
 - B) difficulties in obtaining export financing
 - C) delays and/or damage in the export shipment and distribution process
 - D) exchange rate fluctuations when contracts are made in a foreign currency
- 29) Which one of the following statements is true? 29) _____
- A) NAFTA ensures that any product for sale in the US, Mexico and Canada, bearing a certificate of origin, is manufactured in one of these three countries
 - B) NAFTA ensures that any product for sale in the US, Mexico and Canada, bearing a certificate of origin, qualifies for tariff reduction
 - C) NAFTA ensures that any product for sale in the US, Mexico and Canada, bearing a certificate of origin, is not sold anywhere else in on the American continent
 - D) NAFTA ensures that any product for sale in the US, Mexico and Canada, bearing a certificate of origin, is not counterfeit
- 30) Research has shown that the _____ typically makes the first decision to internationalize in SMEs. 30) _____
- A) employees
 - B) head of the organization
 - C) head of sales
 - D) outsourced consultants
- 31) Tariffs and taxes best reflect the influence of the _____ environment on an international organization. 31) _____
- A) technological
 - B) legal
 - C) cultural
 - D) social
- 32) Which of the following regional market agreements has the smallest population? 32) _____
- A) CARICOM
 - B) Mercosur
 - C) NAFTA
 - D) ASEAN
- 33) The type of duty that is assessed as a percentage of the value of the imported product is called _____ duty. 33) _____

- A) specific
- B) VAT
- C) product
- D) ad valorem

34) Key uncontrollable factors in international marketing are: 34) _____

- A) marketing activities and plans
- B) government policy and legislation
- C) social and technical changes
- D) both B and C

35) SWOT is an acronym for: 35) _____

- A) Strengths, Weaknesses, Objectives, Threats
- B) Strengths, Weaknesses, Opportunities, Threats
- C) Situation, Weaknesses, Opportunities, Threats
- D) Situation, Warehousing, Opportunities, Total

36) The correct name of the economic co-operation group that consist exclusively of Asian countries is: 36) _____

- A) The Asian Economic Cooperation
- B) Japan Inc.
- C) Association of Southeast Asian Nations
- D) Asia Pacific Economic Cooperation

37) Non-tariff barriers are: 37) _____

- A) VAT's and ad valorem duties
- B) local, technical and legal requirements
- C) quotas, buy-local campaigns, local bureaucracy
- D) B and C

38) PEST is an acronym which stands for: 38) _____

- A) People, Economy, Standards, Transport
- B) Political, Economic, Societal, Technological
- C) Product, Economy, Society, Technology
- D) Political, Economic, Social, Technological

39) _____ is not part of Mercosur: 39) _____

- A) Argentina
- B) USA
- C) Paraguay
- D) Uruguay

40) NASA stands for: 40) _____

- A) National Aeronautics and Space Administration
- B) National Aero-Space Association
- C) Nigerian Aero-Space Academy
- D) National Aero-Space Administration

41) _____ is not a country part of NAFTA. 41) _____

- A) Mexico
- B) Japan
- C) Canada
- D) USA

42) The main reason(s) for Elvis Presley Enterprises' (EPE) internationalization was(were): 42) _____

- A) creating long-term profit for EPE and maintaining Graceland
- B) building global awareness of the late rock icon
- C) the need to survive as an organization in a changing music

environment

D) building brand awareness and gaining market share in the music industry

43) IMF stands for: 43) _____

- A) Indian Manufacturing Federation
- B) International Money Foundation
- C) International Monetary Fund
- D) International Manufacturing Fund

44) WTO stands for: 44) _____

- A) World Trade organization
- B) World Trade Office
- C) World Telepathy organization
- D) World Travel organization

45) CEFTA stands for: 45) _____

- A) Central American Free Trade Agreement
- B) Central Eastern Free Trade Association
- C) Central European Free Trade Agreement
- D) none of the above

46) Which one of the following statements is true? 46) _____

- A) The GATT is the predecessor of the WTO
- B) The WTO is the predecessor of the GATT
- C) The GATT is the predecessor of the World Bank
- D) The GATT is the predecessor of the IMF

47) Which one of the following statements is true? 47) _____

- A) By definition, an organization engages in global marketing if it trades in at least 100 countries world-wide
- B) By definition, an organization engages in global marketing if it trades with the Triad, Russia, China and India
- C) By definition, an organization engages in global marketing if it trades in at least 200 countries world-wide
- D) None of the above statements is true

48) The WTO is based in: 48) _____

- A) Washington
- B) Rome
- C) Amsterdam
- D) Brussels

49) Which is the world's largest trading bloc? 49) _____

- A) Mercosur
- B) EU
- C) ASEAN
- D) EEA

50) In international marketing, brands: 50) _____

- A) are not that important as they cannot all be translated in exactly the same way in all target markets
- B) are rarely mentioned in global advertising
- C) personify quality and consistency across markets
- D) are best protected through strategic alliances

- 1) B
- 2) B
- 3) C
- 4) B
- 5) C
- 6) D
- 7) B
- 8) D
- 9) D
- 10) D
- 11) A
- 12) C
- 13) A
- 14) D
- 15) C
- 16) D
- 17) D
- 18) C
- 19) C
- 20) A
- 21) A
- 22) A
- 23) A
- 24) D
- 25) A
- 26) C
- 27) C
- 28) A
- 29) B
- 30) B
- 31) B
- 32) A
- 33) B
- 34) D
- 35) B
- 36) C
- 37) D
- 38) D
- 39) B
- 40) A
- 41) B
- 42) A
- 43) C
- 44) A
- 45) C
- 46) A
- 47) D
- 48) D
- 49) D
- 50) C