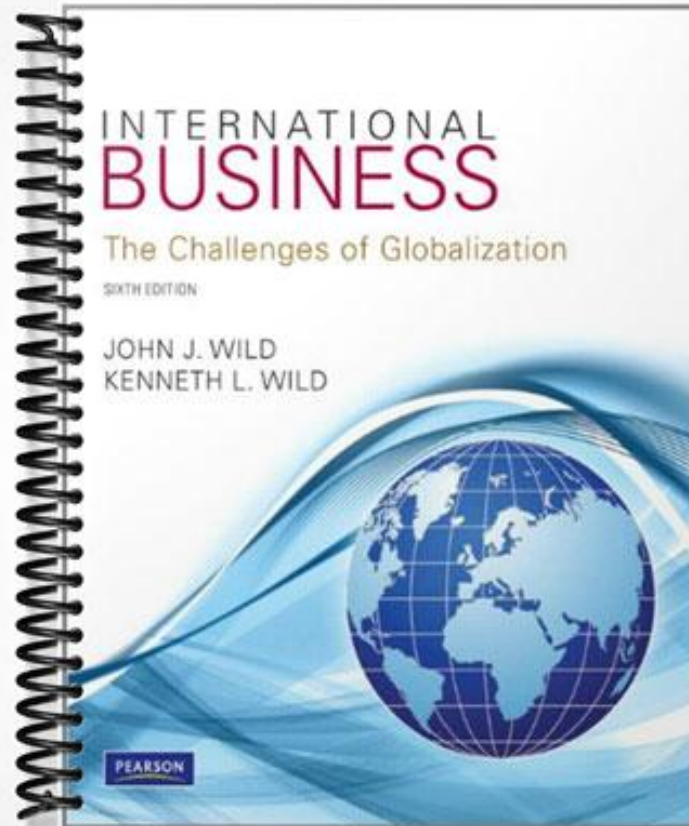


TEST BANK



International Business, 6e (Wild/Wild)
Chapter 2 Cross-Cultural Business

1) Nokia Corporation uses its knowledge of cultures to adapt its mobile handsets to suit local markets.

Answer: TRUE

Diff: 1 Page Ref: 43

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO1

2) The first step in analyzing a nation's potential for international business activity is to examine its customs.

Answer: FALSE

Diff: 1 Page Ref: 44

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO1

3) Ethnocentricity improves the ability to manage new business practices abroad.

Answer: FALSE

Diff: 2 Page Ref: 44

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO1

4) Democratic nations that value freedom of speech do not regulate economic sectors such as broadcasting.

Answer: FALSE

Diff: 2 Page Ref: 45

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO1

5) Subcultures seldom exist in democratic countries with large populations.

Answer: FALSE

Diff: 1 Page Ref: 46

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO1

6) Subcultures share the same language, lifestyle, values, and attitudes as the dominant culture.

Answer: FALSE

Diff: 2 Page Ref: 46

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO1

7) Mexican immigrants living in the United States comprise a subculture.

Answer: TRUE

Diff: 1 Page Ref: 46

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO1

8) All Chinese citizens are fluent in the official Mandarin dialect.

Answer: FALSE

Diff: 2 Page Ref: 46

AACSB: Communication abilities; Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO1

9) A nation's cultural boundaries do not always correspond to its political boundaries.

Answer: TRUE

Diff: 2 Page Ref: 46

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO1

10) Some subcultures exist across national borders.

Answer: TRUE

Diff: 2 Page Ref: 46

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO1

11) The cultural component of aesthetics deals with elements such as imagery, symbolism, and the arts.

Answer: TRUE

Diff: 1 Page Ref: 47

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO2

12) Black is the universal color that symbolizes death and mourning.

Answer: FALSE

Diff: 2 Page Ref: 47

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO2

13) When choosing web site addresses or telephone numbers for businesses that serve Chinese customers, entrepreneurs should attempt to include the number four (4), which is considered to be particularly lucky in China.

Answer: FALSE

Diff: 2 Page Ref: 48

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Application

Objective: Chapter 2-LO2

14) In today's global business world, the use of a 12-hour clock (as opposed to the 24-hour clock) is universally appropriate.

Answer: FALSE

Diff: 2 Page Ref: 48

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO2

15) When going global with an Internet presence, it is highly beneficial for a business to localize its web site.

Answer: TRUE

Diff: 2 Page Ref: 48

AACSB: Dynamics of the global economy; Multicultural and diversity understanding; Use of information technology

Skill: Concept

Objective: Chapter 2-LO2

16) U.S. employees place value on achieving individual results.

Answer: TRUE

Diff: 2 Page Ref: 48

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO2

17) A culture's values tend to be rigid over time.

Answer: TRUE

Diff: 2 Page Ref: 49

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO2

18) Many folk customs that have spread by cultural diffusion to other regions have developed into popular customs.

Answer: TRUE

Diff: 1 Page Ref: 52

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO2

19) The concept of nuclear family that prevails in much of Europe includes grandparents, uncles, aunts, and cousins.

Answer: FALSE

Diff: 2 Page Ref: 53

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO2

20) Status refers to the way a culture divides its population according to positions within its social structure.

Answer: TRUE

Diff: 1 Page Ref: 54

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO2

21) Religion strongly affects the kinds of goods and services acceptable to Muslim consumers.

Answer: TRUE

Diff: 2 Page Ref: 58

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO2

22) Hindus and Buddhists both seek "nirvana," a state of eternal happiness.

Answer: TRUE

Diff: 3 Page Ref: 58

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO2

23) French is the most widely used "lingua franca" in international business.

Answer: FALSE

Diff: 2 Page Ref: 62

AACSB: Communication abilities; Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO2

24) Literacy tests offer a reliable basis on which to compare one nation's education level to another's.

Answer: FALSE

Diff: 3 Page Ref: 64

AACSB: Communication abilities; Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO2

25) Nations that invest in worker training are usually rewarded with productivity increases and rising incomes.

Answer: TRUE

Diff: 1 Page Ref: 64

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO2

26) Hong Kong, South Korea, Singapore, and Taiwan have experienced rapid economic development despite their poor education systems.

Answer: FALSE

Diff: 2 Page Ref: 64

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO2

27) Material culture often displays uneven development across a nation's industries.

Answer: TRUE

Diff: 2 Page Ref: 65

AACSB: Dynamics of the global economy; Multicultural and diversity understanding; Use of information technology

Skill: Concept

Objective: Chapter 2-LO4

28) Group-oriented cultures are typically found in Europe and North America.

Answer: FALSE

Diff: 2 Page Ref: 68

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO5

29) In cultures with large power distance, prestige and rewards tend to be equally shared between superiors and rank-and-file employees.

Answer: FALSE

Diff: 3 Page Ref: 68

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO5

30) Cultures that score low on uncertainty avoidance tend to be more open to change and new ideas.

Answer: TRUE

Diff: 3 Page Ref: 69

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO5

31) Typically, the first step in the process of analyzing a nation's potential as a host for international business activity is to _____.

- A) assess its overall business climate
- B) analyze its religious environment
- C) investigate its history of corruption
- D) evaluate its legal system

Answer: A

Diff: 2 Page Ref: 44

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO1

32) Which of the following terms is defined as the set of values, beliefs, rules, and institutions held by a specific group of people?

- A) Customs
- B) Rituals
- C) Culture
- D) Aesthetics

Answer: C

Diff: 1 Page Ref: 44

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO1

33) The belief that one's own ethnic group or culture is superior to that of others is referred to as _____.

- A) cultural inheritance
- B) cultural diffusion
- C) cultural literacy
- D) ethnocentricity

Answer: D

Diff: 1 Page Ref: 44

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO1

34) Which of the following is the best example of a case in which ethnocentricity undermines an international business project?

A) International investors avoid investing in an Indian company because they are unsure of India's commitment to free markets.

B) Production falls at a U.S.-owned factory in Japan because workers react negatively to American management techniques.

C) China relies on its natural resources and inexpensive factory labor to promote its country's economic development.

D) Korean managers of a manufacturing company are sent to East European plants to learn the work habits of local workers.

Answer: B

Diff: 3 Page Ref: 44

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Application

Objective: Chapter 2-LO1

35) Detailed knowledge about a culture that enables people to live and work within that culture is called _____.

A) cultural literacy

B) social mobility

C) cultural diffusion

D) aesthetics

Answer: A

Diff: 1 Page Ref: 44

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO1

36) Which one of the following best supports the argument that ethnocentricity should be avoided in business relationships with other countries?

A) Managers often need time to learn the traits and work habits of other cultures.

B) Cultural literacy can only be gained through fluency in another country's language.

C) Managers from other cultures understand best how to motivate their own employees.

D) Western management principles have been proven to enhance business productivity.

Answer: C

Diff: 3 Page Ref: 45

AACSB: Dynamics of the global economy; Multicultural and diversity understanding;

Reflective thinking skills

Skill: Critical Thinking

Objective: Chapter 2-LO1

37) A critic argues that the French government is too restrictive regarding its limitations on English language usage in product packaging. Which of the following would most likely reflect the French government's response to the critic?

- A) The limitations are designed to stop the diffusion of French traits across European borders.
- B) The limitations will decrease over time as France earns more income through international trade.
- C) The limitations are necessary to preserve unique elements of French national culture.
- D) The limitations are focused primarily on British imports and do not affect U.S.-made products.

Answer: C

Diff: 2 Page Ref: 45-46

AACSB: Dynamics of the global economy; Multicultural and diversity understanding; Reflective thinking skills

Skill: Critical Thinking

Objective: Chapter 2-LO1

38) Which of the following is best defined as a group of people who share a unique way of life within a larger dominant culture?

- A) Caste system
- B) Subculture
- C) Collective culture
- D) Material culture

Answer: B

Diff: 1 Page Ref: 46

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO1

39) Which of the following terms is used to refer to that which a culture considers to be in "good taste" in the arts?

- A) Customs
- B) Social structure
- C) Manners
- D) Aesthetics

Answer: D

Diff: 1 Page Ref: 47

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO2

40) An electronics manufacturer is designing a product to be marketed to consumers in Islamic countries. Which of the following colors should the company use most prominently in its packaging to make a favorable impression on buyers?

- A) Green
- B) White
- C) Black
- D) Orange

Answer: A

Diff: 2 Page Ref: 47

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Application

Objective: Chapter 2-LO2

41) Which color is primarily associated with funerals in Japan?

- A) Black
- B) White
- C) Jade
- D) Tan

Answer: B

Diff: 2 Page Ref: 47

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Application

Objective: Chapter 2-LO2

42) Which of the following terms is used to refer to the ideas, beliefs, and customs to which people are emotionally attached?

- A) Aesthetics
- B) Social structure
- C) Manners
- D) Values

Answer: D

Diff: 2 Page Ref: 48

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO2

43) The United Kingdom and the United States value _____, whereas Japan and South Korea value _____.

- A) the caste system; the class system
- B) aesthetics; ethnocentricity
- C) individual freedom; group consensus
- D) hard work; leisure

Answer: C

Diff: 3 Page Ref: 48

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO2

44) Which of the following terms is used to refer to the positive or negative evaluations, feelings, and tendencies that individuals harbor toward objects or concepts?

- A) Customs
- B) Attitudes
- C) Manners
- D) Values

Answer: B

Diff: 1 Page Ref: 48

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO2

45) Which of the following statements is true regarding attitudes?

- A) They are quite rigid over time compared to values.
- B) They are learned from role models.
- C) They are similar from one country to the next because they form within a cultural context.
- D) They are developed only toward the most important aspects of life.

Answer: B

Diff: 3 Page Ref: 49

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO2

46) Which of the following terms is used to refer to any element that represents a culture's way of life, including gestures, material objects, traditions, and concepts?

- A) Intangible product
- B) Tangible product
- C) Aesthetic
- D) Cultural trait

Answer: D

Diff: 2 Page Ref: 49

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO2

47) Which of the following statements regarding cultural change is NOT true?

- A) Cultural change occurs as new traits are accepted and absorbed into a culture.
- B) Cultural diffusion occurs quickly in almost every culture.
- C) Globalization is increasing the pace of cultural diffusion.
- D) Technological advances are increasing the pace of cultural diffusion.

Answer: B

Diff: 3 Page Ref: 49-50

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO2

48) Which of the following refers to the process whereby cultural traits spread from one culture to another?

- A) Cultural imperialism
- B) Social mobility
- C) Cultural diffusion
- D) Cultural literacy

Answer: C

Diff: 2 Page Ref: 49

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO2

49) _____ refers to the replacement of one culture's traditions, folk heroes, and artifacts with substitutes from another.

- A) Cultural imperialism
- B) Acculturation
- C) Cultural attrition
- D) Cultural immersion

Answer: A

Diff: 1 Page Ref: 50

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO2

50) Companies that wish to avoid the charge of cultural imperialism should do which of the following?

- A) Be sensitive to how their activities and products affect people's traditional ways and habits
- B) Quickly launch new management practices to avoid prolonged resistance to change
- C) Implement new investment projects and management practices only during volatile times
- D) Maintain a standardized approach to strategy with policy decisions made at headquarters

Answer: A

Diff: 2 Page Ref: 50

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Application

Objective: Chapter 2-LO2

51) When Russian politicians complain about the Snickerization of their culture, they are complaining about which of the following?

- A) Lingua franca
- B) Social mobility
- C) Cultural identification
- D) Cultural imperialism

Answer: D

Diff: 2 Page Ref: 50

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO2

52) When a manager walks employees through every step of an assignment and monitors the results at each stage, this process is called _____.

- A) diffusion management
- B) situational management
- C) mentoring and training
- D) workforce mobility

Answer: B

Diff: 2 Page Ref: 51

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO2

53) Which of the following terms is used to refer to appropriate ways of behaving, speaking, and dressing in a culture?

- A) Attitudes
- B) Manners
- C) Aesthetics
- D) Values

Answer: B

Diff: 1 Page Ref: 51

AACSB: Communication abilities; Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO3

54) A group of senior managers decides to require members of their new Mexican office to take a course in business etiquette. Several employees speak out against the idea, arguing that the course is a waste of time. Which of the following would be the most effective response to the employees?

- A) Business people are likely to be understanding if a mistake is made by someone outside the culture.
- B) Most business meetings are held on company property during work time, not during lunch.
- C) It is important for business success to display culturally appropriate behavior in social settings.
- D) Non-native speakers may have difficulty understanding the nuances of negotiations in Spanish.

Answer: C

Diff: 3 Page Ref: 51

AACSB: Dynamics of the global economy; Multicultural and diversity understanding;

Reflective thinking skills

Skill: Critical Thinking

Objective: Chapter 2-LO3

55) Arab culture considers the left hand the " _____ " hand.

- A) eating
- B) writing
- C) personal hygiene
- D) greeting

Answer: C

Diff: 3 Page Ref: 51

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO3

56) Which of the following terms is used to refer to habits or ways of behaving in specific circumstances that are passed down through generations?

- A) Customs
- B) Attitudes
- C) Values
- D) Manners

Answer: A

Diff: 2 Page Ref: 52

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO3

57) Sharing food gifts during the Islamic holy month of Ramadan is an example of a(n)

- _____.
- A) custom
 - B) value
 - C) ritual
 - D) attitude

Answer: A

Diff: 2 Page Ref: 52

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Application

Objective: Chapter 2-LO3

58) Which of the following terms is used to refer to behavior that is shared by a heterogeneous group or by several groups?

- A) Manners
- B) Lingua franca
- C) Popular custom
- D) Folk custom

Answer: C

Diff: 2 Page Ref: 52

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO3

59) _____ are behaviors, often dating back several generations, that are practiced by a homogeneous group of people.

- A) Manners
- B) Attitudes
- C) Popular customs
- D) Folk customs

Answer: D

Diff: 2 Page Ref: 52

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO3

60) The wearing of turbans by Muslims in Asia is an example of which of the following?

- A) Folk custom
- B) Popular custom
- C) Symbolic act
- D) Ritual

Answer: A

Diff: 2 Page Ref: 52

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Application

Objective: Chapter 2-LO3

61) The practice whereby managers and other employees often try to find jobs inside their own companies for relatives is known as _____.

- A) insider hiring
- B) nuclear family association
- C) nepotism
- D) social stratification

Answer: C

Diff: 1 Page Ref: 53

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO3

62) Which of the following terms is used to refer to a collection of two or more people who identify and interact with each another?

- A) Class system
- B) Social tier
- C) Caste system
- D) Social group

Answer: D

Diff: 1 Page Ref: 53

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO3

63) Which of the following is NOT an important element of social structure?

- A) Social group associations
- B) Social aesthetics
- C) Social status
- D) Social mobility

Answer: B

Diff: 2 Page Ref: 53

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO3

64) Which of the following terms is used to refer to the process of ranking people into social layers or classes?

- A) Social status
- B) Social stratification
- C) Social group
- D) Social mobility

Answer: B

Diff: 2 Page Ref: 54

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO3

65) A _____ is a system of social stratification in which people are born into a social ranking, with no opportunity for social mobility.

- A) moksha system
- B) class system
- C) caste system
- D) genealogy system

Answer: C

Diff: 1 Page Ref: 54

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO3

66) A _____ is a system of social stratification in which personal ability and actions determine an individual's social status and mobility.

- A) genealogy system
- B) moksha system
- C) caste system
- D) class system

Answer: D

Diff: 1 Page Ref: 54

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO3

67) Which of the following is the most common form of social stratification in the world today?

- A) Moksha system
- B) Class system
- C) Caste system
- D) Social group system

Answer: B

Diff: 2 Page Ref: 54

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO3

68) Which of the following is the world's single largest religion?

- A) Jewish
- B) Christianity
- C) Islamic
- D) Confucianism

Answer: B

Diff: 2 Page Ref: 55

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO3

69) A publisher based in Kazakhstan specializes in books for Islamic readers. The publisher is considering opening sales offices in Saudi Arabia and Ethiopia. Which country would be the better choice?

- A) Saudi Arabia, because its population is predominantly Islamic
- B) Ethiopia, because its population is predominantly Islamic
- C) Saudi Arabia, because its population does not favor one religion
- D) Ethiopia, because it contains a mix of Islamic and Christian citizens

Answer: A

Diff: 2 Page Ref: 55

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Application

Objective: Chapter 2-LO3

70) Which of the following believes that salvation comes from faith in God and that hard work gives glory to God?

- A) Hindus
- B) Muslims
- C) Buddhists
- D) Protestants

Answer: D

Diff: 3 Page Ref: 55

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO3

71) The world's second largest religion is _____.

- A) Judaism
- B) Hinduism
- C) Islam
- D) Confucianism

Answer: C

Diff: 3 Page Ref: 55

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO2

72) Nations governed by which religion segregate the sexes at certain activities and locations such as in school?

- A) Confucianism
- B) Hinduism
- C) Buddhism
- D) Islam

Answer: D

Diff: 2 Page Ref: 58

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO3

73) For Hindus, the highest goal of life is _____.

- A) moksha
- B) halal
- C) kosher
- D) material wealth

Answer: A

Diff: 2 Page Ref: 58

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO3

74) A company that sells products designed for Buddhist and Confucian temples would be most likely to find customers in which of the following countries?

- A) Philippines and Singapore
- B) India and Indonesia
- C) Thailand and Mongolia
- D) Madagascar and Nepal

Answer: C

Diff: 2 Page Ref: 58-59

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Application

Objective: Chapter 2-LO3

75) Which of the following statements about China is NOT true?

- A) China's population includes more than 50 distinct ethnic groups.
- B) The Chinese are outspoken and tend to express what they think.
- C) Business people are considered important role models for youth.
- D) China is home to most of Confucianism's 225 million followers.

Answer: B

Diff: 3 Page Ref: 46,54,59

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Synthesis

Objective: Chapter 2-LO2, LO3

76) When translated, the term *Shinto* means _____.

- A) path of the heart
- B) way of the gods
- C) escape from reincarnation
- D) achieving enlightenment

Answer: B

Diff: 3 Page Ref: 60

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO3

77) A Chinese business establishes an office in Hong Kong. It conducts business locally with vendors and customers who live in Hong Kong. Which of the following would be most effective as the company's main business dialect?

- A) Taiwanese
- B) *Guanxi*
- C) Mandarin
- D) Cantonese

Answer: D

Diff: 2 Page Ref: 62

AACSB: Communication abilities; Dynamics of the global economy; Multicultural and diversity understanding

Skill: Application

Objective: Chapter 2-LO3

78) Body language includes all of the following EXCEPT _____.

- A) unarticulated thoughts
- B) eye contact
- C) physical greetings
- D) facial expressions

Answer: A

Diff: 3 Page Ref: 62

AACSB: Communication abilities; Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO3

79) Which of the following terms is used to refer to the departure of highly educated people from one profession, geographic region, or nation to another?

- A) Social mobility
- B) Elite flight
- C) Power vacuum
- D) Brain drain

Answer: D

Diff: 2 Page Ref: 64

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO3

80) Which of the following represent aspects of the physical environment that heavily influence a people's culture?

- A) Topography and climate
- B) Topography and communication
- C) Climate and customs
- D) Lifestyle and customs

Answer: A

Diff: 3 Page Ref: 65

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO4

81) Which of the following would likely experience the LEAST amount of cultural diffusion?

- A) Two subcultures located on a coast with navigable waterways
- B) Two subcultures separated by an impassable mountain range
- C) Neighboring cultures located adjacent to each other on a land mass
- D) Neighboring cultures located next to each other in a desert climate

Answer: B

Diff: 3 Page Ref: 49-50, 65

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Synthesis

Objective: Chapter 2-LO3, LO4

82) Which of the following terms is used to refer to all the technology used in a culture to manufacture goods and provide services?

- A) Intellectual culture
- B) Popular culture
- C) Hofstede culture
- D) Material culture

Answer: D

Diff: 2 Page Ref: 65

AACSB: Dynamics of the global economy; Multicultural and diversity understanding; Use of information technology

Skill: Concept

Objective: Chapter 2-LO4

83) The Kluckhohn-Strodtbeck framework compares cultures along all of the following dimensions EXCEPT _____.

- A) Do people believe that their environment controls them, that they control their environment, or that they are part of nature?
- B) Do people focus on past events, on the present, or on the future implications of their actions?
- C) Do people embrace or avoid uncertainty and ambiguity?
- D) Do people believe individuals or groups are responsible for each person's welfare?

Answer: C

Diff: 2 Page Ref: 66-67

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO5

84) According to Hofstede's framework, which of the following describes the degree of inequality between people in different occupations?

- A) Power distance
- B) Uncertainty avoidance
- C) Individualism
- D) Collectivism

Answer: A

Diff: 2 Page Ref: 68

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO5

85) According to Hofstede's framework, which of the following is LEAST likely to be valued in a group-oriented culture?

- A) Entrepreneurial risk taking
- B) Shared responsibility
- C) Collective goals
- D) Maintaining harmony

Answer: A

Diff: 3 Page Ref: 68

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO5

86) All of the following are dimensions developed by Hofstede for examining cultures EXCEPT _____.

- A) individualism versus collectivism
- B) power distance
- C) uncertainty avoidance
- D) caste system versus class system

Answer: D

Diff: 2 Page Ref: 67-69

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO5

87) Which of the following countries would most likely be the slowest to implement cultural change, based on Hofstede's framework?

- A) South Africa
- B) Norway
- C) Japan
- D) Denmark

Answer: C

Diff: 3 Page Ref: 49-50, 67-69

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Synthesis

Objective: Chapter 2-LO3, LO5

Scenario: BetsyPurses.com

Betsy Franklin, a young entrepreneur from Philadelphia, started her hand-crocheted purse business seven years ago. Betsy's business has since thrived and employs 150 people. Most of Betsy's business is within the United States with an occasional international order. But Betsy now wants to make a concerted effort to grow international sales and is designing her Web site to attract more customers located abroad. Betsy is meeting with Bob Rufus, a Web site designer, for help with the project.

88) In choosing colors that comprise the background of the Web site, Betsy should _____.

- A) go for simplicity by using a black-and-white site throughout Asia
- B) pick a pastel color scheme for Japan
- C) avoid pastel colors in Europe and choose primary colors instead
- D) use the same color scheme globally so as to not confuse customers

Answer: B

Diff: 3 Page Ref: 48

AACSB: Communication abilities; Dynamics of the global economy; Multicultural and diversity understanding

Skill: Application

Objective: Chapter 2-LO2

89) Betsy believes her success rests on her careful listening and responding to customers' needs. To ensure that her customers abroad can provide feedback easily, Betsy should _____.

- A) set a fixed time for customers to call, such as from 3 to 5 p.m., Eastern Standard Time
- B) switch to the 12-hour clock commonly used outside the United States
- C) learn what prospective customers seek to accomplish on her Web site
- D) ignore issues related to time since her customers will be familiar with the U.S. system

Answer: C

Diff: 2 Page Ref: 48

AACSB: Communication abilities; Dynamics of the global economy; Multicultural and diversity understanding

Skill: Application

Objective: Chapter 2-LO2

Scenario: HR Experts, Inc.

You were just hired at HR Experts, Inc., a diverse and global human resources consulting company. On your first day at work, you are assigned to a trouble-shooting group comprised of individuals from different cultures. Your team members are Tom, Ketan, Yoshi, Hung Shin, and Nazam. During the course of the day working in the group, you try to put people's names and faces with their cultures and beliefs.

90) You overheard Ketan making a remark, "I do not want to come back in the next life as an insect. I want to do right and achieve moksha." Based on this comment, which religion does Ketan most likely practice?

- A) Buddhism
- B) Hinduism
- C) Islam
- D) Confucianism

Answer: B

Diff: 2 Page Ref: 55-60

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Application

Objective: Chapter 2-LO3

91) Hearing Ketan's comment, Tom responded, "I believe that salvation comes from faith in God and that hard work gives glory to God. So my friend, work hard and have faith in God." Based on this comment, which religion does Tom most likely practice?

- A) Protestantism
- B) Buddhism
- C) Islam
- D) Confucianism

Answer: A

Diff: 2 Page Ref: 55-60

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Application

Objective: Chapter 2-LO3

92) To celebrate you joining the group, everyone goes to a local restaurant for dinner after work. When ordering drinks, Nazam says he cannot drink alcoholic beverages because his religion forbids it, and that he must eat quickly so he can attend evening prayers. Based on these statements, which religion is Nazam most likely practicing?

- A) Shinto
- B) Hinduism
- C) Islam
- D) Confucianism

Answer: C

Diff: 2 Page Ref: 55-60

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Application

Objective: Chapter 2-LO3

Scenario: Ian Richards, International Executive

Ian Richards is vice president of new business development for a British-based Internet company. He will soon attend an international symposium on global Internet marketing in Brazil where he will meet people from around the world.

93) When Ian attends a luncheon with several Arab delegates he does not know, he should _____.

- A) not use his left hand to pour drinks for his Arab associates
- B) maintain personal space of about 36 inches
- C) avoid steady eye contact
- D) bow about 30 degrees to each delegate

Answer: A

Diff: 2 Page Ref: 51, 63

AACSB: Communication abilities; Dynamics of the global economy; Multicultural and diversity understanding

Skill: Application

Objective: Chapter 2-LO3

94) After the symposium, Ian meets several company vice-presidents from the Japan office. When meeting with the Japanese associates, Ian should _____.

- A) bow around 15 degrees
- B) bow around 30 degrees
- C) bow around 45 degrees
- D) simply shake hands but do not bow

Answer: A

Diff: 3 Page Ref: 63

AACSB: Communication abilities; Dynamics of the global economy; Multicultural and diversity understanding

Skill: Application

Objective: Chapter 2-LO4

95) In attendance with the Japanese vice-presidents is a regional manager, Hideki Yoshimura, who recently made some business errors that were costly for the company. If Mr. Yoshimura bows at 45 degrees, Ian should interpret this to mean that _____.

- A) Mr. Yoshimura has insulted him
- B) Mr. Yoshimura expects an apology
- C) Mr. Yoshimura has apologized
- D) Mr. Yoshimura perceives himself as Ian's elder

Answer: C

Diff: 1 Page Ref: 63

AACSB: Communication abilities; Dynamics of the global economy; Multicultural and diversity understanding

Skill: Application

Objective: Chapter 2-LO3

96) Ian ends most of his meetings with the thumbs up signal indicating that all is good. When meeting symposium representatives from Italy, he should _____.

- A) avoid making the gesture
- B) tap his nose instead
- C) make the gesture as usual
- D) make the gesture and then shake all hands

Answer: A

Diff: 2 Page Ref: 63

AACSB: Communication abilities; Dynamics of the global economy; Multicultural and diversity understanding

Skill: Application

Objective: Chapter 2-LO3

Scenario: Global Trading, Inc.

Global Trading, Inc. (GTI) is a company that manufactures and markets in over 40 countries and has 75,000 employees. GTI is concerned about understanding and managing not only its employees abroad, but also its suppliers and customers. Jamie, a consultant with Diversity Training International, is supervising a cross-cultural project for GTI and proposes using the Hofstede framework for analyzing cultures. Executives with GTI are interested in the framework, but they have many questions.

97) Jamie presents GTI managers with the following list of Hofstede dimensions to test their understanding of the framework. Which dimension would the managers most likely identify as the one that does not belong?

- A) Achievement versus nurturing
- B) Individualism versus collectivism
- C) Public versus private orientation
- D) Power distance

Answer: C

Diff: 1 Page Ref: 67-69

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO5

98) Which of the following dimensions would most likely help executives understand the degree to which employees accept social inequality in different countries?

- A) Uncertainty avoidance
- B) Individualism versus collectivism
- C) Caste system versus class system
- D) Power distance

Answer: D

Diff: 1 Page Ref: 67-68

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO5

99) One manager indicates that her subsidiary experiences high turnover, that there are few formal rules for regulating individual behavior, and that these qualities seem to be characteristic of the national culture. Which one of Hofstede's dimensions would most likely measure these qualities?

- A) Quantity versus quality of life
- B) Uncertainty avoidance
- C) Individualism versus collectivism
- D) Power distance

Answer: B

Diff: 2 Page Ref: 69

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO5

100) Which of the following dimensions would most likely help a manager understand whether the lifestyle in her host country is more oriented toward accumulating wealth or maintaining a balanced life?

- A) Achievement versus nurturing
- B) Uncertainty avoidance
- C) Individualism versus collectivism
- D) Power distance

Answer: A

Diff: 1 Page Ref: 69

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO5

101) _____ is the set of values, beliefs, rules and institutions held by a specific group of people.

Answer: Culture

Diff: 1 Page Ref: 44

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO1

102) The belief that a person's ethnic group or culture is superior to that of others is called _____.

Answer: ethnocentricity

Diff: 1 Page Ref: 44

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO1

103) _____ refers to detailed knowledge about a culture that enables a person to function effectively within it.

Answer: Cultural literacy

Diff: 2 Page Ref: 44

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO1

104) _____ are ideas, beliefs, and customs to which people are emotionally attached.

Answer: Values

Diff: 2 Page Ref: 48

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO2

105) _____ are positive or negative evaluations, feelings, or tendencies that individuals harbor toward objects or concepts.

Answer: Attitudes

Diff: 1 Page Ref: 48

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO2

106) While _____ are quite rigid over time, _____ are more flexible.

Answer: values, attitudes

Diff: 2 Page Ref: 49

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO2

107) The process whereby cultural traits spread from one culture to another is called _____.

Answer: cultural diffusion

Diff: 2 Page Ref: 49

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO2

108) Appropriate ways of behaving, speaking, and dressing in a culture are called _____.

Answer: manners

Diff: 1 Page Ref: 51

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO2

109) _____ define appropriate habits or behaviors in specific situations.

Answer: Customs

Diff: 2 Page Ref: 52

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO2

110) Wearing blue jeans and playing golf are both examples of _____.

Answer: popular customs

Diff: 1 Page Ref: 52

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO2

111) Two types of customs are _____ and _____ customs.

Answer: folk, popular

Diff: 2 Page Ref: 52

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO2

112) A(n) _____ is behavior, often dating back several generations, that is practiced by a homogeneous group of people.

Answer: folk custom

Diff: 1 Page Ref: 52

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO2

113) A(n) _____ is behavior shared by a heterogeneous group of people or by several groups.

Answer: popular custom

Diff: 1 Page Ref: 52

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO2

114) Collections of two or more people who identify and interact with one another are known as _____.

Answer: social groups

Diff: 2 Page Ref: 53

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO2

115) The process of ranking people into social layers or classes is called _____.

Answer: social stratification

Diff: 2 Page Ref: 54

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO2

116) _____ is the ease with which individuals can move up or down a culture's social ladder.

Answer: Social mobility

Diff: 1 Page Ref: 54

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO2

117) A(n) _____ is a system of social stratification in which people are born into a social ranking with no opportunity for social mobility.

Answer: caste system

Diff: 1 Page Ref: 54

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO2

118) A(n) _____ is a third or "link" language that is understood by two parties who speak different languages.

Answer: lingua franca

Diff: 2 Page Ref: 62

AACSB: Communication abilities; Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO2

119) The departure of highly educated people from one profession, geographic region, or nation to another is known as _____.

Answer: brain drain

Diff: 2 Page Ref: 64

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO2

120) _____ refers to all the physical features that characterize the surface of a geographic region.

Answer: Topography

Diff: 1 Page Ref: 67-69

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO4

121) Identify the significant cultural issues involved when evaluating the attractiveness of a particular location as a place for doing business.

Answer: An assessment of any nation's overall business climate is typically the first step in analyzing its potential as a host for international commercial activity. This means addressing some important questions, such as the following: What language(s) do the people speak? What is the climate like? Are the local people open to new ideas and new ways of doing business? Do government officials and the people want our business? Is the political situation stable enough so that our assets and employees are not placed at unacceptable levels of risk? Answers to these kinds of questions—plus statistical data on items such as income level and labor costs—allow companies to evaluate the attractiveness of a location as a place for doing business.

Diff: 1 Page Ref: 44

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO1

122) Explain the concept of culture. Why is it important to avoid ethnocentricity and gain cultural literacy?

Answer: Culture is the set of values, beliefs, rules, and institutions held by a specific group of people. Individuals who are ethnocentric believe their culture is superior to other cultures. It is important to avoid ethnocentricity because it can seriously undermine international business projects. It causes people to view other cultures in terms of their own and, therefore, disregard the beneficial characteristics of other cultures.

Cultural literacy, on the other hand, involves acquiring detailed knowledge about a culture to function effectively within it. Cultural literacy improves a person's ability to manage employees, market products, and conduct negotiations in other countries. The culturally literate manager who compensates for local needs and desires brings his or her company closer to customers and improves the firm's competitiveness.

Diff: 1 Page Ref: 44-45

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO1

123) Describe two ways in which nation-states support and promote national culture, giving examples.

Answer: Nation-states support and promote the concept of national culture by building museums and monuments to preserve the legacies of important events and people. The Guggenheim Museum in Bilbao, Spain, for instance, revived that old Basque industrial city. Nation-states also intervene in business to preserve national culture. Most nations, for example, regulate culturally sensitive sectors of the economy, such as filmmaking and broadcasting.

Diff: 2 Page Ref: 45-46

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO1

124) Why is it important for firms to recognize and understand the concept of subculture? Provide an example with your answer.

Answer: A group of people who share a unique way of life within a larger, dominant culture is called a subculture. A subculture can differ from the dominant culture in language, race, lifestyle, values, attitudes, or other characteristics. Although subcultures exist in all nations, they are often glossed over by our impressions of national cultures. For example, the customary portrait of Chinese culture often ignores the fact that China's population includes more than 50 distinct ethnic groups. Decisions regarding product design, packaging, and advertising should consider each group's distinct culture.

Diff: 2 Page Ref: 46

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO1

125) Describe any three major components of culture.

Answer: Three components of culture are manners, religion, and material culture. Manners are appropriate ways of behaving, speaking, and dressing. Religion is a component of culture that defines a group's spiritual views. Human values often originate from religious beliefs; different religions take different views of work, savings, and material goods. Finally, material culture includes all the technology used in a culture to manufacture goods and provide services. Material culture is often used to measure the technological advancement of a nation's markets or industries.

Additional components of culture are values and attitudes, attitudes toward cultural change, social structure, personal communication, education, and the physical environment.

Diff: 2 Page Ref: 47-65

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Synthesis

Objective: Chapter 2-LO2, LO3

126) Provide a definition of attitudes. How do attitudes differ from values? How do cultures differ in their attitudes toward cultural change?

Answer: Attitudes are positive or negative evaluations, feelings, and tendencies that individuals harbor toward objects or concepts. Attitudes reflect underlying values. But unlike with values (which generally concern only important matters), people hold attitudes toward both important and unimportant aspects of life. And whereas values remain quite rigid over time, attitudes are more flexible.

Cultures can have varying responses to cultural change. Some countries feel threatened by the diffusion of traits from certain cultures, particularly if there appears to be a risk of cultural imperialism. One example involves French resistance to the influx of American cultural icons such as Mickey Mouse. In other cases, countries may welcome cultural change or at least see its benefits. U.S. audiences have embraced the diffusion of British-style competitive TV shows, such as the type of show that spawned *American Idol*.

Diff: 3 Page Ref: 48-51

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Synthesis

Objective: Chapter 2-LO2, LO3

127) Explain how customs differ from manners and give examples of two types of customs.

Answer: Manners are appropriate ways of behaving, speaking, and dressing in a culture. When habits or ways of behaving in specific circumstances are passed down through generations, they become customs. Customs differ from manners in that they define appropriate habits or behaviors in *specific situations*.

Two types of customs are folk customs and popular customs. A **folk custom** is behavior, often dating back several generations, that is practiced by a homogeneous group of people. The wearing of turbans by Muslims in southern Asia and the art of belly dancing in Turkey are both folk customs. A **popular custom** is behavior shared by a heterogeneous group or by several groups. Popular customs can exist in just one culture or in two or more cultures at once. Wearing blue jeans and playing golf are both popular customs across the globe. Folk customs that spread by cultural diffusion to other regions develop into popular customs.

Diff: 2 Page Ref: 54-55

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO2

128) Describe the concept of social structure and its relevance for companies doing business abroad.

Answer: Social structure embodies a culture's fundamental organization, including its groups and institutions, its system of social positions and their relationships, and the process by which its resources are distributed. Social structure plays a role in many business decisions, including production-site selection, advertising methods, and the costs of doing business in a country.

Diff: 1 Page Ref: 53

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO2

129) Describe three different religions and provide examples of how they affect business practices.

Answer: Three of the world's major religions are Christianity, Islam, and Hinduism. Christianity was born in Palestine around 2,000 years ago among Jews who believed that God sent Jesus of Nazareth to be their savior. The Roman Catholic faith asks its followers to refrain from placing material possessions above God and others. Protestants believe that salvation comes from faith in God and that hard work gives glory to God—a tenet known widely as the "Protestant work ethic." Many historians believe this conviction to be a main factor in the development of capitalism and free enterprise in nineteenth-century Europe.

Christian organizations sometimes get involved in social causes that affect business policy. For example, some conservative Christian groups have boycotted the Walt Disney Company, charging that in portraying young people as rejecting parental guidance, Disney films impede the moral development of young viewers worldwide.

With 1.3 billion adherents, Islam is the world's second-largest religion. The prophet Muhammad founded Islam around A.D. 600 in Mecca, the holy city of Islam located in Saudi Arabia. Islam revolves around the "five pillars": (1) reciting the *Shahada* (profession of faith), (2) giving to the poor, (3) praying five times daily, (4) fasting during the holy month of *Ramadan*, and (5) making the *Hajj* (pilgrimage) to the Saudi Arabian city of Mecca at least once in one's lifetime.

Religion strongly affects the kinds of goods and services acceptable to Muslim consumers.

Islam, for example, prohibits the consumption of alcohol and pork. Popular alcohol substitutes are soda pop, coffee, and tea. Substitutes for pork include lamb, beef, and poultry (all of which must be slaughtered in a prescribed way so as to meet *halal* requirements). Because hot coffee and tea often play ceremonial roles in Muslim nations, the markets for them are quite large. And because usury (charging interest for money lent) violates the laws of Islam, credit card companies collect management fees rather than interest, and each cardholder's credit line is limited to an amount held on deposit.

Hinduism formed around 4,000 years ago in present-day India, where over 90 percent of its 900 million adherents live. Considered by some to be a way of life rather than a religion, Hinduism recalls no founder and recognizes no central authority or spiritual leader. Hindus believe in reincarnation—the rebirth of the human soul at the time of death. Hindus tend to disdain materialism. Strict Hindus do not eat or willfully harm any living creature because it may be a reincarnated human soul.

Because Hindus consider cows sacred animals, they do not eat beef; consuming milk is considered a means of religious purification. Firms such as McDonald's must work closely with government and religious officials in India to respect Hindu beliefs. In many regions, McDonald's has removed all beef products from its menu and prepares vegetable and fish products in separate kitchen areas. And for those Indians who do eat red meat (but not cows because of their sacred status), the company sells the Maharaja Mac, made of lamb, in place of the Big Mac.

Diff: 3 Page Ref: 55, 58

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO2

130) Discuss the concept of *lingua franca* and how it affects communication in international business.

Answer: A *lingua franca* is a third or "link" language understood by two parties who speak different native languages. The original *lingua franca* arose to support ancient trading activities and contained a mixture of Italian and French, along with Arabic, Greek, and Turkish.

Multinational corporations sometimes choose a *lingua franca* for official internal communications because they operate in many nations, each with its own language. Although only 5 percent of the world's population speaks English as a first language, it is the most common *lingua franca* in international business, followed closely by French and Spanish.

Diff: 1 Page Ref: 62

AACSB: Communication abilities; Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO2

131) Describe brain drain and its impact (positive and negative) on an economy.

Answer: Brain drain is the departure of highly educated people from one profession, geographic region, or nation to another. Brain drain can negatively affect an economy if individuals needed for economic development, such as science and technology professionals, move elsewhere. However, brain drain can have a positive effect on an economy when it occurs in reverse. Under these circumstances, the educated elite are given incentives to return to the country.

Diff: 1 Page Ref: 64

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO2

132) Describe the relation between culture and the physical environment, explaining the roles of topography and climate.

Answer: Although physical environment affects a people's culture, it does not directly determine it. Two aspects of the physical environment that heavily influence a people's culture are topography and climate.

All the physical features that characterize the surface of a geographic region constitute its topography. Some surface features such as navigable rivers and flat plains facilitate travel and contact with others. By contrast, treacherous mountain ranges and large bodies of water can discourage contact. Cultures isolated by topographical features can find themselves less exposed to the cultural traits of other peoples, which can mean slower cultural change. Topography can impact consumers' product needs and can also have a profound impact on personal communication in a culture.

Climate affects where people settle and helps direct systems of distribution. It plays a large role in lifestyle and work habits, to which companies must adapt, and it also impacts customs such as the type of clothing people wear.

Diff: 2 Page Ref: 65

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO4

133) How can a nation's topography affect the existence of subcultures?

Answer: The topography of an area can serve to promote or weaken subcultures. On the one hand, physically separating topography can reinforce subcultures and help keep them isolated by inhibiting communication. For example, mountain ranges and the formidable Gobi Desert consume two-thirds of China's land surface. Groups living in the valleys of these mountain ranges hold on to their own ways of life and speak their own languages.

At the same time, topography that promotes communication can enhance cultural diffusion. Some surface features such as navigable rivers and flat plains facilitate travel and contact with others and can potentially lead to more uniformity among cultural groups.

Diff: 3 Page Ref: 49-51, 65

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Synthesis

Objective: Chapter 2-LO3, LO4

134) Explain the Hofstede framework. Provide an example for each dimension.

Answer: The Hofstede framework compares cultures along five dimensions: (1) individualism vs. collectivism; (2) power distance; (3) uncertainty avoidance; (4) achievement vs. nurturing; and (5) long-term orientation.

The individualism vs. collectivism dimension identifies the extent to which a culture emphasizes the individual versus the group. Asian cultures tend to be very collectivist, for example, while American culture stresses individualism.

Power distance conveys the degree to which a culture accepts social inequality among its people. Countries in African and Asia tend to have large power distance, with much inequality between superiors and subordinates. Countries in North American and Western Europe have lower power distance scores.

Uncertainty avoidance identifies the extent to which a culture avoids uncertainty and ambiguity. Asian countries have large uncertainty avoidance indexes, while the United States and Canada are characterized by small uncertainty avoidance.

Achievement vs. nurturing captures the extent to which a culture emphasizes personal achievement and materialism versus relationships and quality of life. Nations in Western Europe tend to have more relaxed lifestyles than do highly driven Americans, for example.

The dimension of long-term orientation indicates a society's time perspective and an attitude of overcoming obstacles with time, if not with will and strength. A high-scoring culture, such as Japan, values respect for tradition, thrift, perseverance, and a sense of personal shame. A low-scoring culture such as the United States is characterized by individual stability and reputation, fulfilling social obligations, and reciprocation of greetings and gifts. These cultures can change more rapidly because tradition and commitment are not impediments to change.

Diff: 3 Page Ref: 67-69

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Concept

Objective: Chapter 2-LO5

135) Are the Kluckhohn-Strodtbeck and Hofstede frameworks useful for understanding subcultures? Why or why not?

Answer: The frameworks appear to be better suited for analyzing national culture than particular subcultures. Both frameworks describe cultures in terms of dimensions that apply to the entire culture. They attempt to identify features that can be used to understand a culture in an overarching way. They do not allow for the subtleties necessary to differentiate various aspects of subcultures. The frameworks could most likely be applied to subcultures, but their strengths seem to lie in providing succinct portraits of national culture that facilitate comparisons between countries.

Diff: 3 Page Ref: 46, 66-69

AACSB: Dynamics of the global economy; Multicultural and diversity understanding

Skill: Synthesis

Objective: Chapter 2-LO1, LO5