

Chapter 01: Global Marketing Explained

1. Marketing activities coordinated and integrated across multiple country markets is termed:

Global Marketing

2. The major similarities between domestic and global marketing involve:

The focus on exchanging something of value

The need to satisfy consumer needs

= (a) & (b) only

3. _____ is the trend towards greater interdependence among national institutions and economies.

Globalization

4. The apparent convergence of consumer preferences in countries around the world is referred to as:

Globalization of markets

5. The dispersal of production activities to countries around the world which are low cost centres of manufacturing is referred to as:

Globalization of production

Chapter 02: Cultural Environment

1. In Hofstede's framework the masculinity-femininity dimension captures:

The extent to which society is focused on achievement and success as opposed to developing and maintaining caring and nurturing relationships.

2. In low context societies the meaning of individual behavior and speech changes depending on the situation or context. True/False?

False

3. Acculturation is just another term for imperialism. True/False?

False

4. Which of the following (if any) is important in terms of transmitting culture from one generation to the other?

Schools, Parents, Government
= All of the above

5. As a marketing research consultant you have been asked to analyze the culture of a variety of countries your client is interested in entering. What analytical framework would **NOT** be useful to you in conducting this assignment?

Porter's Diamond

Chapter 03: Economic & Financial Environments

1. The form of economic integration where countries remove all barriers to trade among themselves, implement a common trade policy towards non-members, allow free movement of capital and labor and harmonize economic policies is called:

An economic union

2. A government's _____ legislation allows it to block mergers between foreign and domestic firms.

Anti-trust

3. The Human Development index measures welfare on three dimensions: literacy rates, life expectancy and upward social mobility. True/False?

False

4. Purchasing Power Parity (PPP) is the amount of currency which, when converted into special drawing rights, allows individuals to purchase the same basket of goods as the average US consumer. True/False?

False

5. Engel's laws state that as a family's income rises, the percentage of the money it spends on food will increase because of the reliance on buying prepared food out of the home, i.e. restaurants and other fast food outlets. True/False?

False

Chapter 04: Political Legal Environment

1. According to the OECD Convention on Bribery and Corruption it also does not matter whether the host country is tolerant of corrupt business practices. It is still an offence. True/False?

True

2. The seizure of foreign assets by a government with payment of compensation to owners is called:

Expropriation.

3. Which (if any) is a potential effect of bribery and corruption?

Bribery and corruption may lead to other morality problems

Bribery and corruption can reduce foreign direct investment flows to those countries viewed as corrupt

Bribery and corruption may force companies to alter how they enter foreign markets e.g. making it necessary to have a local partner

= All of the above

4. The CEO of Rio Tinto, a global mining company, was interested in opening a mine in Northern Bolivia. He knew that the country was politically unstable but he was most worried about being able to repatriate profits earned back to the firm's home country. Which sub-index of the Profit Opportunity Recommendation index (POR) would be most helpful to this CEO's decision?

The R Factor

5. Business in Muslim countries is conducted under _____ law

Shari'ah

Chapter 05: Trade & Protectionism

1. According to the Heckscher-Ohlin model what drives international trade?

Differences in product endowments and factor intensities

2. According to Vernon's Product Life Cycle Theory firms will adopt mass production techniques and initiate foreign manufacturing in the _____ stage of the cycle.

Second

3. When Taiwan mandates extensive purity tests for imported fruit juices but does not subject domestically produced juices to the same tests it is using _____ as a protectionist measure:

Product standards

4. The keiretsu system which involves tightly knit corporate and cultural relationships between Japanese manufacturers, wholesalers and retailers is a form of:

Protectionism

5. What is the core mission of the WTO?

To facilitate international trade and investment

Chapter 07: Selecting Foreign Markets

1. According to Dunning's OLI Framework a firm's foreign investment decisions are driven by:

Ownership, Location and Internalization factors

2. At what stage in the country selection process does the firm consider its own resources, capabilities and sources of competitive advantage?

Secondary screening

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

Aggressive management intent on building a global operation

4. The term _____ describes institutional arrangements used by firms to enter foreign markets.

Mode of entry

5. According to the Uppsala model a firm's _____ is the major driver of its pattern of internationalization.

Experiential knowledge

Chapter 08: Entering Foreign Markets

1. With _____ the firm transacts with an intermediary based in its own home country. This intermediary in turn takes responsibility for exporting the product to one or more foreign countries.

Indirect exporting

2. Entry modes may be classified by their risk/reward profile. In this context hierarchical modes represent a sharing of the risks and rewards between two or more firms. True/False?

False

3. Under this type of agreement, one firm permits another to use its intellectual property (e.g. trademarks, copyrights or patents) in exchange for royalty compensation. What is this type of agreement called?

Licensing

4. Which mode of entry carries the highest risk and the highest potential return?

Foreign direct investment

5. Some firms utilize the same entry mode every time they expand into a new foreign market. Such firms are said to be following the _____ rule in the selection of an entry mode.

Naïve

Chapter 09: Global Products & Services

1. Which of the following is a likely negative impact of counterfeit production?

Lost goodwill for the manufacturer of the genuine product

Lost sales for the manufacturer of the genuine product

Conflict between the manufacturer and authorized dealers

= (a) and (b) only

2. In determining the optimal level of standardization for a global product which of the following costs would you consider?

Incremental manufacturing costs

Cost of lost sales

= (a) and (b) only

3. The process of global product development is referred to as a stage gate process because at each stage members of the product development team are required to provide adequate justification for moving to the next stage. True/False?

True

4. What is the final step in the process of global product development?

Global product launch

5. In pursuing a fade-in/fade-out brand changeover strategy a firm may link the global to the local brand using:

Endorsement branding

Double branding
= (a) and (b) only

Chapter 10: Global Distribution Strategies

1. One of the actions that firms can take against the gray trade is to educate consumers about the dangers of gray traded products. This is referred to as:

Demand interference

2. In designing a global marketing channel 'coverage' refers to:

The number of retail outlets where the firm's products are available

3. In designing a global marketing channel one should be concerned with channel length. This refers to:

The number of types of intermediaries in the channel

4. Which of the following is NOT part of the 11 Cs of international channel design?

Community

5. Which criteria would be useful to the firm in the selection of a foreign market intermediary?

Product experience
Network and contacts
Financial and physical resources
= All of the above

Chapter 11: Global Pricing Strategies

1. The most secure of payment for an exporter is a(n):

Irrevocable letter of credit

2. What is a Letter of Credit?

An instrument issued by the importer's bank at the request of the importer which guarantees payment to the exporter provided the merchandise is shipped in accordance with precise instructions.

3. The major reason for the use of countertrade is the ready availability of foreign exchange in some developing countries. True/False?

False

4. With an ethnocentric pricing strategy the firm sets one worldwide price and country managers have no latitude to change it. True/False?

True

5. In the development of export prices what does CIF stand for?

Cost, insurance and freight

Chapter 12: Global Communication & Sales Strategy

1. In contrast to Western advertising the primary goal of Japanese advertising is to:

Build trust with the prospective customer

2. Which of the following is NOT part of the basic communications model?

Dissonance

3. We can expect that _____ advertising would repeatedly emphasize the competitive features of the brand in order to convince the consumer to purchase the product.

American

4. The use of status sports such as golf, show jumping and sailboat racing in advertising is most likely to be effective in _____ societies.

High power distance

5. One of the major disadvantages of recruiting host-country sales professionals is that they will lack an understanding of _____.

The firm's products
Head office corporate culture
= (a) and (b) only

Chapter 13: Global Marketing Strategy and implementation

1. What is the first step in the process of global strategic planning?

Define the business for which the strategy is being developed

2. If a firm's competence lies in low cost manufacturing and it targets a broad range of market segments it is said to be pursuing a _____ strategy.

Cost leadership

3. Firms may organize in various ways for global market expansion. With a _____ organizational structure each division specializes in a particular activity such as marketing, finance, production or research and development.

Functional

4. Which of the following is a factor in the selection of expatriate managers for overseas assignment?

Language ability
Cross-cultural suitability
Family requirements
= All of the above

5. Local firms with firm specific assets that are transferable across national borders and are in industries with high pressure to globalize should upgrade their capabilities and compete with their global competitors in niche markets. This is referred to as a(n) _____ strategy.

Contender

Chapter 14: Marketing Strategies of MNE

1. In order to achieve and maintain a low cost structure emerging market multinationals will:

Base their operations in second tier cities

Use second hand equipment imported from the West

Fashion their own version of equipment used by Western companies

= All of the above

2. Emerging market multinationals may be defined as companies originating from emerging markets and while they are engaged in outward foreign direct investments they do not engage directly in value-added activities in foreign countries. True/False?

False

3. Emerging market multinationals possess many of the same firm specific advantages e.g. strong global brands, possessed by multinationals from the developed world. True/False?

False

4. To be successful developed country multinationals should see emerging markets as:

A large and growing middle class

Centres of innovation

A source of talent to produce goods that may be sold globally

= All of the above

5. Emerging market multinationals which capitalize on their experience in building products that are able to stand up to the harsh physical conditions found in emerging markets similar to their home market are termed:

Knowledge leveragers