

INTERNATIONAL BUSINESS

1. Which is the right sequence of stages of Internationalisation
a. Domestic, Transnational, Global, International, Multinational
b. Domestic, International, Multinational, Global, Transnational
c. Domestic, Multinational, International, Transnational, Global
d. Domestic, International, Transnational, Multinational, Global

2. According to this theory the holdings of a country's treasure primarily in the form of gold constituted its wealth
a. Gold theory
b. Ricardo theory
c. Mercantilism
d. Hecksher theory

3. The theory of absolute cost advantage is given by
a. David Ricardo
b. Adam Smith
c. F.W. Taylor
d. Ohlin and Heckscher

4. The theory of Relative Factor Endowments is given by
a. David Ricardo
b. Adam Smith
c. F.W. Taussig
d. Ohlin and Hecksher

5. Globalisation refers to
a. Lower incomes worldwide
b. Less foreign trade and investment
c. Global warming and their effects
d. A more integrated and interdependent world

6. NAFTA stands for
a. North African Free Trade Association

- b. North American Free Trade Agreement
- c. North Atlantic Free Trade Agreement
- d. North Association For Free Trade

7. OECD stands for

- a. Organisation for Economic Cooperation and development
- b. Organisation for Economic coordination and Development
- c. Organisation for Environmental cooperation and development
- d. organisation for Environmental control and development

8. The balance of payments of a country on current account is equal to

- a. balance of trade plus short term borrowings
- b. balance of trade plus net invisible exports
- c. balance of payment minus capital flows
- d. balance of invisible trade plus imports

9. _____ refers to a process of increasing economic integration and growing economic interdependence between countries in the world economy.

- a. MNC
- b. TNC
- c. Globalisation
- d. WTO

10. The head quarters of SAARC is _____

- a. Bangladesh
- b. Maldives
- c. Sri Lanka
- d. Kathmandu

11. _____ was commenced on January 1, 1994

- a. NAFTA
- b. SAFTS

- c. SAARC
- d. ASEAN

12. _____ is a bilateral trade agreement between two countries.

- a. Tie in Agreement
- b. Counter trade
- c. MNC
- d. Gray Market

13.. _____ is the process of convincing the various powerful elements of the environment to act in the favour of the organisations.

- a. Coalescing
- b. Cooptation
- c. Lobbying
- d. Procurement

14. The environment which affects the basic values, behaviours and preferences of the society

- a. Cultural environment
- b. Technological environment
- c. Legal environment
- d. Political environment

15. Working backwards from a given market price to ascertain whether the export will be profitable or not is

- a. Transfer pricing
- b. Retrograde pricing
- c. Conventional pricing
- d. Skimming pricing

16. A project that is not constrained by prior work

- a. Brown feild project
- b. White feild project

- c.Green feild project
- d.Yellow feid project

17.Expand ASEAN

- a.Association of south atlantic nations
- b.Association of secular asian nations
- c.Association of slow economic asian nations
- d.Association of south east asian nations

18.ASEAN is formed on

- a.8 August 1967
- b.8 Septhember 1967
- c.8 january 1968
- d.7 march 1968

19. GATS refers to

- a.General agreement on Trade in Services
- b.General agreement on tariff and services
- c.Global Agreement on trade and service
- d.Global agreement on tarrif and services

20.Home country orientation is also known as

- a.Ethnocentrism
- b.Poly centrism
- c.Regio centrism
- d.Geocentrism

21.Host country orientation is also known as

- a.Regio centrism
- b.poly centrism
- c.Ethnocentrism
- d.Geo centrism

22.Which of the following is not a feature of MNC

- a.Headquartered in home country

- b.giant sized
- c.No transfer of technology
- d.Easy movement of funds.

23. Two or more firms join together to create a new business entity that is legally separate and distinct from its parents is known as

- a.Branch office
- b.Subsidiary
- c.Joint venture
- d.Green field

24. Which is not an export price Quotation

- a.F.O.B
- b.FAS
- c.CIF
- d.C&S

25. A statement that summarizes an economy's transactions with the rest of world for a specified period of time is

- a.Bill of lading
- b.Statement of Financial affairs
- c.Balansheet
- d.Balance of payment

26. Terms of Trade measures

- a. country's export price in relation to import price
- b.country's expenses in relation to revenues
- c.Country's operating cost with operating revenue
- d.country's debt with borrowings

27. Tax imposed on imports and exports is

- a.Charge
- b.Duty
- c.Tarrif
- d.Rates

28. Which is not a Tariff Barrier

- a. Specific duty
- b. Compound duty
- c. sliding scale duty
- d. quota system

29. The duties levied according to value of goods is

- a. Specific duty
- b. Ad. valorem duty
- c. Combined duty
- d. Countervailing duty

30. which is not a modern theory of International trade

- a. Heckscher-Ohlin theory
- b. Linder's income theory
- c. Product life cycle theory
- d. Theory of absolute advantage

31. Initial registration and each renewal of registration, of a trade mark is for a term of

not less than _____

- a. 5 years
- b. 4 years
- c. 6 years
- d. 7 years

32. The agreement of patent protection for _____

- a. 20 years
- b. 15 years
- c. 10 years
- d. 7 years

33. Plurilateral Trade Agreement was done at Geneva in _____

- a. March 1979

- b. April 1979
- c. January 1994
- d. August 1984

34. NIEO means _____

- a. New International Economic Order
- b. New Industrial Economic Order
- c. New Industrial Economic Organisation
- d. New International Economic Organisation

35. _____ is the effect International Trade has a detrimental effect on under developed countries

- a. Lop - sided development
- b. Deterioration
- c. Demonstration effect
- d. None of the above

36. _____ established a mechanism where by their local currencies are kept equal in value to gold and to each other.

- a. International money
- b. Floating exchange rate
- c. Bretton wwod system
- d. International Gold standard

37. The type of trade where a country imports same sort of goods as it exports

- a. Adversarial trade
- b. Reciprocal trade
- c. Global trade
- d. Internal trade

38. _____ are bilateral arrangements instituted to restrain the rapid growth of exports of specific manufactured goods

- a. Licensing

- b. Administered protection
- c. Voluntary export restraints
- d. Optimum tariff

39. Which among the following is the advanced form economic integration

- a. Free trade area
- b. Economic union
- c. Customs union
- d. Common market

40. _____ refers to the investment in a foreign country where the investor retains control over the investment

- a. Foreign direct investment
- b. Foreign institutional investment
- c. Portfolio investment
- d. investment in GDR

41. _____ means acceptance of an outward looking policy of economic development in place of an inward – looking one.

- a. Liberalization
- b. Privatisation
- c. Globalisation
- d. All of the above

42. ESCAP stands for _____

- a. Economic and Social Commission for Asia and the Pacific
- b. Economic and Social Centre for Asia and the Pacific
- c. Economic and Social Commission for the Asia and Privatisation
- d. Economic and Social Culture for Asia and Public

43. _____ is a method of doing business by which a franchisee is granted the right to offer, sell or distribute goods or service under a system created by the Franchisee.

- a. Agreement

- b. Dealership
- c. Patent
- d. Franchising

44. FERA was replaced by _____

- a. FEMA
- b. GATT
- c. WTO
- d. ITO

45. _____ is the process of contracting with foreign firms granting them proprietary right to use technology, copyrights, trade marks, brand names etc.

- a. Franchising
- b. Licensing
- c. Contract
- d. None of the above

46. _____ is part of the parent corporation and simply an extension of domestic operation.

- a. Foreign Subsidiary
- b. Overseas branch
- c. Third country location
- d. Assembly operation

47. _____ is a separate company organised under a foreign nations legal code with accountability distinct from the parent company.

- a. Foreign subsidiary
- b. Oversees branch
- c. Assembly operation
- d. Fully owned manufacturing

48. _____ is a peculiar form of international trade that encompasses more than an exchange of goods services or idea for

money.

- a. Turnkey contract
- b. Licensing
- c. Counter Trade
- d. Buy back

49. GATT agreements as modified by the _____ agreement

- a. WTO
- b. ITO
- c. Uruguay Round
- d. Bretton wood

50. _____ is a multinational in which both ownership and control are so dispersed internationally.

- a. Multinational corporation
- b. Global corporation
- c. International corporation
- d. Transnational corporation

51. Under _____ a company doing international marketing enters into contracts with firms in foreign countries to manufacture the products while retaining the responsibility of marketing the product.

- a. Contract manufacturing
- b. Licencing
- c. Franchising
- d. Management contracting

52. which of the following is an arrangement by the seller to supply a buyer with a facility fully equipped and ready to be operated by the buyer's personnel, who will be trained by the seller.

- a. Management contracting
- b. Joint venture
- c. Third country location
- d. Turnkey contracts

53. The term 'entente' refers to

- a. mergers and acquisitions
- b. Economic liberalisation
- c. Strategic alliance
- d. Counter trade

54. Which of the following is not a form of Counter trade

- a. Barter
- b. Buy back
- c. Compensation deal
- d. Direct exporting

55. _____ is defined as the designing and managing of a system that controls the flow of materials into, through and out of the international corporation.

- a. international logistics
- b. International business
- c. International distribution
- d. International marketing

56. Which tariff is intended primarily to accord protection to domestic industries from foreign competition.

- a. Optimum tariff
- b. Triple column tariff
- c. Protective tariff
- d. Revenue tariff

57. _____ is the risk of financial market or personal losses because of political decisions or disruptions.

- a. legal risk
- b. political risk
- c. economic risk
- d. Social risk

58. Asian Development Bank is headquartered at

- a. Manila
- b. Jakarta
- c. Kathmandu
- d. Delhi

59. Name the monetary reserve currency created by IMF in 1969.

- a. Treasury bills
- b. Special drawing rights
- c. Commercial paper
- d. Certificate of deposit

60. Which of the following does not come under the organisation structure of MNC

- a. Global product structure
- b. Mixed structure
- c. Diversified structure
- d. Matrix structure

61. _____ are also known as International Bank for Reconstruction and Development.

- a. IMF
- b. ADB
- c. World Bank
- d. ECM

62. _____ is the Supreme governing authority of World Bank.

- a. The president
- b. The Executive Directors
- c. The Board of Governors
- d. Members of the Board

63. _____ becomes the Ex-officio Chairman of World Bank.

- a. The Board of Governors
- b. The Executive Directors

- c. Other members
- d. The President

64. The highest policy making body of the ADB is _____

- a. Board of Governors
- b. Board of Directors
- c. President
- d. Other members

65. NAFTA is an example of

- a. Common market
- b. Customs union
- c. Economic community
- d. Free trade area

66. Which of the following is not an international organisation

- a. SAARC
- b. ADB
- c. ASEAN
- d. CBDT

67. The balance of payment account is conventionally divided into

- a. Current account and Capital account
- b. Visible account and invisibla account
- c. Longterm capital account and short term capital account
- d. None of the above

68. Foreign exchange and foreign currencies in india are governed by

- a. RBI
- b. Banking regulation act
- c. FEMA
- d. SEBI

69. EPCG denotes

- a.Export potential and credit guarantee
- b.Earning promotion and credit guarantee
- c.Export promotion and credit guarantee
- d.Export potential and credit goods

70.UNCTAD stands for

- a.United nations committee on Tarrif and Development
- b.United nations conference on trade and deficit
- c.United nations conference on trade and deveopment
- d.Union of nations cause for trade and development

71.Horizontal FDI refers to

- a.when a firm invests abroad in the same industry in which it perates in home country
- b.when a firm invests in different industry in which operates in home county
- c.when a firm invest in activities along the firms exisisting supply chain to avail the benefits
- d.None of the above

72.Which is not an Indian Multinational company

- a.Unilever
- b.Asian paints
- c.Piramal
- d.Wipro

73.Capitalistic,socialistic and mixed are types of

- a.Economic systems
- b.Economic conditions
- c.Economic policies
- d.None of the above

74._____is the application of knowledge which redefine the boundaries of global business

- a.Cultural values

- b.Society
- c.Technology
- d.Economy

75 Ultimately _____ was replaced by the ___ on 1st jan 1995

- a.GATS,WTO
- b.WTO,GATT
- c.GATT,WTO
- d.IMF,GATT

76. _____ is a document acknowledging the receipt of goods on board a ship.

- a.Bill of lading
- b.Bill of exchange
- c.Bill of payment
- d.None of the above

77.A form of risk that arises from the change in price of one currency against another

- a.Default risk
- b.Interest rate risk
- c.Currency risk
- d.Inflation risk

78. _____ status is a method of preventing discriminatory treatment among members of an international trading organisation.

- a.MFN
- b.MGN
- c.MEG
- d.MFM

79.The risks that are unavoidable during the course of any business are called

- a.Unsystematic risk

- b. Systematic risk
- c. Intangible risk
- d. Tangible risk

80. _____ exist when countries within a geographical region agree to reduce or eliminate tariff barriers on selected goods imported from other members of the area.

- a. Free trade area
- b. Preferential Trade Area
- c. Customs union
- d. Common market

81. Which among the following involves the removal of tariff barriers between members, plus the acceptance of unified external tariff against non members

- a. Common market
- b. Customs union
- c. Free trade area
- d. Special economic zone

82. Expand APEC

- a. Asia Pacific Economic Cooperation
- b. Asia Pacific Environmental Cooperation
- c. Asia Petroleum Economic Cooperation
- d. Asia Pacific Ecological Cooperation

83. If FDI abroad is to manufacture products not manufactured by the parent company at home, it is called

- a. Horizontal FDI
- b. Vertical FDI
- c. Conglomerate FDI
- d. None of the above

84. Macro environment is also known as _____

- a. Outside environment

- b. Indirect environment
- c. General environment
- d. Social environment

85.103. Companies establish foreign subsidiary and empowers its executives is _____

- a. Regio centric
- b. Geocentric
- c. Poly centric
- d. Ethno centric

86. _____ theory suggests for maintaining favourable balance of trade in the form of import of gold for export of goods and services.

- a. Gold standard
- b. Mercantilism
- c. Non merchantilism
- d. Breton wood system

87. _____ is a form of licensing

- a. Franchising
- b. Patent
- c. Brand
- d. None of the above

88. _____ is the long term contracting out of non-core business processes to an outside to help achieve increased share holder value

- a. Contract manufacturing
- b. BPO
- c. Management contract
- d. Turnkey contract

89. A _____ is a contract under which a firm agrees to fully design, construct and equip a manufacturing/business service

facility and turn the project over to the purchaser when it is ready for operation for a remuneration.

- a. BPO
- b. Contract Manufacturing
- c. Turnkey project
- d. Management contract

90. First WTO Ministerial conference held in _____

- a. Geneva
- b. Singapore
- c. Manila
- d. Dona

91. In WTO _____ is the highest hierarchical level in the organizational structure.

- a. General council
- b. Committee and Management Bodies
- c. Management Bodies
- d. Ministerial conference

92.. _____ is the sale of goods abroad at a price which is lower than the selling price of the same goods at the same time in the same circumstances at home, taking account of difference in transport costs.

- a. Dumping
- b. Tariff
- c. Anti dumping
- d. None of the above

93. When the production of a product is more than the demand in the home country, the stocks piled up even after sales is

- _____
- a. Persistent Dumping
 - b. Predatory dumping
 - c. Intermittent Dumping

d. Anti Dumping

94. The monopolist sells the remaining production in foreign countries at a low price continuously in _____

- a. Intermittent Dumping
- b. Persistent Dumping
- c. Predatory Dumping
- d. Anti dumping

95. _____ is an entry mode in which the investing firm owns 100% of the new entity in a host country.

- a. Wholly owned subsidiary
- b. Equity joint venture
- c. Branch office
- d. None of the above

96. _____ theory states that FDI reflects both international business activity and business activity internal to the firm

- a. Factor mobility theory
- b. Product life cycle theory
- c. Dunning's eclectic theory
- d. Internationalisation theory

97. The _____ are group of people who invest their capital through any financial firm or institution for a good return.

- a. Foreign institutional investors
- b. Foreign direct investors
- c. Foreign indirect investors
- d. Foreign portfolio investors

98. _____ is a device used to establish a set of priorities for using the organization's scarce resources

- a. Buffering
- b. Rationing
- c. Smoothing

d.Coalescing

99. _____ is an unintended channel of distribution that runs parallel to the planned channel.

- a. Gray market
- b.Black market
- c. Bribery
- d.Counterfeiting

100. _____ is the art and other manifestations of human customs, civilization and the way of life a particular society or group.

- a.Culture
- b.Trends
- c.Business
- d.Marketing Ans.

ANSWER KEY

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

12	B
13	C
14	A
15	B
16	C
17	D
18	A
19	A
20	A
21	B
22	C
23	C
24	D
25	D
26	A
27	C
28	D
29	B
30	D
31	D
32	A
33	C
34	A
35	C
36	D
37	B
38	C

39	B
40	A
41	C
42	A
43	D
44	A
45	B
46	B
47	A
48	C
49	C
50	D
51	A
52	D
53	C
54	D
55	A
56	C
57	B
58	A
59	B
60	C
61	C
62	C
63	D
64	A
65	D

66	D
67	A
68	C
69	C
70	A
71	A
72	A
73	A
74	C
75	C
76	A
77	A
78	A
79	B
80	B
81	B
82	A
83	C
84	C
85	C
86	B
87	A
88	B
89	C
90	B
91	D
92	A

93	C
94	B
95	A
96	C
97	A
98	B
99	A
100	A

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