BA130-03 Chapter 3 Quiz-MC – Milena Harvey

Please choose the correct answer.

1. **D** **Why should nations trade with other nations?**
   a. **No country is self-sufficient**
   b. **Other countries need products that prosperous countries produce**
   c. **Natural resources and technological skills are not distributed evenly around the world**
   d. **All of the above**
   e. **a and b only**

2. **A** **_____ contends that a country should make and then sell those products it produces most efficiently buy by those it cannot produce as efficiently.**
   a. **The theory of comparative advantage** b. **Absolute advantage**

3. **B** **_____ means that a country has a monopoly on a certain product or can produce the product more efficiently than any other country.**
   a. **The theory of comparative advantage** b. **Absolute advantage**

4. **A** **_____ is buying products from other countries.** a. **Importing** b. **Exporting**

5. **B** **_____ is selling product to other countries.** a. **Importing** b. **Exporting**

6. **D** **Some of the ways in which a company can engage in global business include _____.**
   a. **Licensing, exporting and franchising**
   b. **Contract manufacturing, joint ventures**
   c. **Strategic alliances and direct foreign investment**
   d. **All of the above**
   e. **a and c only**

7. **A** **Unlike companies that only export or import, multinational corporations also have manufacturing facilities or other physical presence abroad.** a. **true** b. **false**

8. **D** **Some of the forces that can discourage participation in global business include _____.**
   a. **Sociocultural forces, economic, and financial forces**
   b. **Legal and regulatory forces**
   c. **Physical and environmental forces**
   d. **All of the above**
   e. **None of the above**

9. **B** **_____ are taxes on foreign products.** a. **Embargo** b. **Tariffs**

10. **A** **A(n) _____ prohibits the importing or exporting of certain products.** a. **Embargo** b. **Tariff**

11. **A** **Though it is not necessarily easy, just about any kind of product can be imported or exported.**
    a. **True** b. **False**