

BA130 Chapter 3 Quiz-MC

Please choose the correct answer.

1. Why should nations trade with other nations? D
 - 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. ___B___ is buying products from other countries.
 - a. Importing
 - b. Exporting
5. ___A___ is selling product to other countries.
 - a. Importing
 - b. Exporting
6. Some of the ways in which a company can engage in global business include ___D___.
 - 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. Unlike companies that only export or import, multinational corporations also have manufacturing facilities or other physical presence abroad. TRUE
 - a. true
 - b. false
8. Some of the forces that can discourage participation in global business include ___D___.
 - 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(n) ___A___ prohibits the importing or exporting of certain products.
 - a. Embargo
 - b. Tariff
11. Though it is not necessarily easy, just about any kind of product can be imported or exported. TRUE
 - a. True
 - b. False