

1. In the 90s, Dell computers opened a factory in Malaysia. This was a win-win situation as Dell could access low-cost labor, while Malaysia could establish itself as an attractive hub of semi-skilled labor. This is an example of

- a) internalization theory
- b) product life cycle theory
- c) stage theory
- d) eclectic theory
- e) all of the above
- f) none of the above

A

2. The stage theory and internalization theories are different in that

- a) one deals with internalization, the other with stage
- b) stage theory is more correct
- c) internalization theory is more correct
- d) stage theory deals with a combination of factors that result in internationalization of businesses
- e) all of the above
- f) none of the above

f

3. Which of the following statements is false:

- a) "There is always some risk in going for internationalization of business"
- b) "The total risk faced by a firm always increases when going for internationalization of business"
- c) "Going for internationalization of business can actually reduce risks faced by a business"
- d) "Companies should carefully assess risks before going for internationalization"
- e) all of the above
- f) none of the above; all the statements are true

b

4. The difference between franchising and licensing is that

- a) franchising involves greater control of the original company
- b) franchising is less expensive
- c) franchising always involves western brands
- d) franchising is always more risky
- e) all of the above
- f) none of the above

a

5. which of the following are reasons for a small company to go for a joint venture?

- a) more resources from other companies
- b) less risk
- c) to compete with much larger companies
- d) a and b
- e) a and c
- f) all of the above

6. Before deciding what needs to be done for a business, managers need to understand

- a) the business itself
- b) the budget available for the business
- c) the vision for the business
- d) the mission of the business
- e) all of the above
- f) none of the above

e, is okay, but a better answer is A

7. Which of the following gives the order in which things should happen?

- a) understanding business, setting a vision, setting a mission, setting objective
- b) understanding business, setting a mission, and setting a vision
- c) setting a vision, setting a mission, understanding business and setting objective
- d) setting objective of profit-making, setting mission, setting vision, understanding business
- e) all of the above
- f) none of the above

a

8. Which of the following statements is true?

- a) strategic objectives are always more important than financial objectives
- b) financial objectives are always more important than strategic objectives
- c) there is no right or wrong answer as to whether strategic objectives are more important than financial objectives
- d) strategic objectives are important to CEO, financial objectives are important to CFO
- e) all of the above statements are true
- f) none of the above are true.

C

9. A company which produces kitchen tiles would most likely fit which evolutionary profile of a firm?

- a) sme
- b) integrated
- c) diversified
- d) a or b
- e) b or c
- f) none of the above

d

10. SBU refers to

- a) Strategic business union
- b) Strategic business unified
- c) Strategy board unit
- d) Strategic business use
- e) all of the above
- f) none of the above

f

11. why should strategic management studies include lessons from macroeconomics?

- a) strategic management involves charting courses for companies, and companies are affected by macroeconomic factors
- b) understanding macroeconomic factors allows managers to improve their prediction skills
- c) changes in the economy can affect the industry in which the firm operates
- d) because the field of macroeconomics offers solid theory that allow managers to understand the environment in which businesses operate
- e) all of the above
- f) none of the above

e

12. which of the following is NOT a reason for analyzing and attempting to understand the economy?

- a) It is necessary to distinguish between factors under a manager's control and those he cannot control.
- b) It allows managers to appear sophisticated
- c) It allows managers to become aware of changes in economy which may present themselves as opportunities or threats
- d) It allows managers to understand predictions
- e) all of the above
- f) none of the above

b

13. If a company doesn't realize that it is operating in a market, that has reduced in size by 5%, but its competitor has realized it

- a) its market share will reduce by 5%
- b) its profits will reduce by 5%
- c) its market share will reduce by more than 5%
- d) its profits will reduce by less than 5%
- e) all of the above
- f) none of the above

c

14. One way of avoiding exchange rate risks is to

- a) not go for international business
- b) do international business in only one country
- c) expand in the markets, rather than export to them
- d) use "real" currency, e.g. minted gold coins
- e) all of the above

f) none of the above

c

15. Nokia and Ericsson are both top producers of mobile handsets. They are both made in Scandinavian countries. This is an example of

- a) Porter's argument that competitive advantage is often concentrated in a few locations
- b) the superiority of Scandinavians
- c) strategic management by location
- d) think global act local
- e) all of the above
- f) none of the above

a

16. According to Porter, the impact of national environment on competitiveness is influenced by

- a) factor conditions
- b) related and supporting industries
- c) demand conditions
- d) strategy, structure and rivalry
- e) all of the above
- f) none of the above

e

17. A simple but quite effective approach to forecasting involves the use of a leading indicator, e.g.

- a) the number of developer projects to project the demand for cement
- b) the structure of a building to project the likelihood of its sale
- c) the number of newspaper sales to project the sale of apples
- d) the cost of doing BBA at HWU to project the likelihood of getting a job
- e) all of the above
- f) none of the above

a (d is somewhat debatable...even c...)

18. PEST analysis includes all of the following factors except:

- a) political
- b) economic
- c) social
- d) technological
- e) all of the above
- f) none of the above

f

19. Prices are determined by

- a) demand
- b) supply
- c) market

- d) managers
- e) customers
- f) none of the above

c

20. It is useful to keep the notion of the demand curve in mind as it helps us to acknowledge

- a) which factors we can influence, and which factors we have to accept
- b) what consumers are willing to pay
- c) whether sales will increase if pricing or other factors are changed
- d) the size of the market
- e) all of the above
- f) none of the above

e

21. There are two types of barriers,

- a) strategic and non-strategic
- b) strategic and structural
- c) price and managerial
- d) competitive and passive
- e) all of the above
- f) none of the above

b

22. Which of the following is not a structural barrier?

- a) capital requirements
- b) regulation
- c) sunk costs
- d) size of market
- e) none of the above, as all are examples of structural barriers.
- f) all of the above, since none are examples of structural barriers.

E

23. Paper is a very cheap product, but establishing a paper mill can be very expensive. Which of the following structural barriers is likely least relevant?

- a) capital requirements
- b) size of market
- c) economies of scale
- d) sunk costs
- e) none of the above
- f) all of the above

d

24. Strategic barriers are

- a) granted by the industry properties

- b) the result of a company's own competitive practices
- c) sought through regulation
- d) the result of such factors such as sunk costs
- e) all of the above
- f) none of the above

b

25. Monopolies attempt to maintain their profits by

- a) adopting strategic barriers
- b) differentiating their products
- c) taking advantage of their experiences
- d) pricing carefully
- e) all of the above
- f) none of the above

e

26. When companies find themselves facing a kinked demand curve, they

- a) cannot increase prices without losing significant market share
- b) decrease prices as it results in a price war
- c) have full market share
- d) a and b only
- e) a and c only
- f) a, b and c

d

27. Which of the following is not one of the three main forms of competitive pricing

- a) discounting
- b) price leadership
- c) limit pricing
- d) predatory pricing
- e) all of the above
- f) none of the above

a

28. Predatory pricing and limit pricing are both similar in that both

- a) involve reducing prices to exceptionally low levels
- b) are strategic pricing options that can often be used by existing firms
- c) are executed by relatively “strong” or “big” firms
- d) a & b
- e) all of the above
- f) none of the above

e

29. Predatory pricing and limit pricing are both similar in that

- a) one is harder to execute than the other
- b) predatory pricing involves reducing the price for competitors, whereas limit pricing involves reducing one's own price to increase awareness
- c) predatory pricing squeezes out existing firms while limit pricing prevents new firms from entering industry
- d) limit pricing involves increasing prices, whereas predatory pricing involves decreasing prices
- e) all of the above
- f) none of the above

c

30. The objective of segmentation is to
- a) offer the same product to all
 - b) develop and market a one-size-fits-all product
 - c) identify several sub-markets and offer different products
 - d) increase revenues by increasing advertising
 - e) all of the above
 - f) none of the above

c

31. Which of the following is not an element of the BCG matrix?
- a) cash cow
 - b) dull venture
 - c) dog
 - d) star
 - e) all of the above
 - f) none of the above

b

32. Economies of scale and scope are different in that
- a) economies of scope may result in making fewer total number of units, but greater product variety
 - b) economies of scale are more important
 - c) economies of scope are easier to achieve
 - d) economies of scale rely on management expertise
 - e) all of the above
 - f) none of the above

a

33. Which of the following is not a reason for diversification?
- a) minimizing risk
 - b) capturing synergy effects
 - c) adding value through parenting
 - d) applying the dominant management logic
 - e) all of the above
 - f) none of the above

f

34. Despite the hassle of managing another company, a firm might go for vertical integration. One reason for doing so is that contracts are difficult to write and enforce, since

- a) life is too complex to draw up a contract that will be useful in the future
- b) there are severe difficulties in measuring future performance
- c) neither party is willing to reveal all information
- d) a firm may not be able to “hold up” other parties in the contract
- e) all of the above
- f) none of the above

e

35. Internalization theory, based on Coase's (1937) work, suggest that

- a) firms like to go international
- b) firms tend to identify situations in which the markets for intermediary products are likely to be internalized
- c) firms produce everything internally
- d) firms develop new techniques internally
- e) all of the above
- f) none of the above

b

36. The reason that internalization theory is relevant for international strategic management is that

- a) it is a theory
- b) internalization is often a strong motivation for going international
- c) creating new products is not possible unless one goes internal
- d) it is a competing theory
- e) all of the above
- f) none of the above

b

37. Which of the following are factors in international locations that a firm can consider when evaluating the attractiveness of international business

- a) personnel factors
- b) risk factors
- c) cost factors
- d) host government factors
- e) all of the above
- f) none of the above

e

38. Which of the following forms of international business results in least control from home locations?

- a) franchising
- b) licensing

- c) joint ventures
- d) portfolio investment
- e) all of the above
- f) none of the above

d

39. If a Japanese company brings the Monorail to Dhaka to ease traffic congestion under a Public-Private Partnership project, it is

- a) franchising
- b) joint venture
- c) turnkey project
- d) licensing
- e) all of the above
- f) none of the above

c

40. An advantage of IJV is that

- a) they cost less money than purchasing
- b) they are less risky than strategic alliances
- c) they help to mesh the advantages on either side of the venture
- d) they create more attractive products
- e) all of the above
- f) none of the above

c

41. Even though subsidiaries are risky, they allow firms to

- a) build and shape their organization
- b) fully control their organization
- c) attempt to reduce overall costing
- d) create and promote healthy organizational cultures
- e) all of the above
- f) none of the above

e

42. Which of the following is NOT a principle of WTO. Trade that is

- a) without discrimination
- b) freer
- c) predictable
- d) more beneficial for less developed countries
- e) all of the above
- f) none of the above

f

43. The latest round of negotiations for the WTO are known as

- a) the Bretton woods conference
- b) the G20 summit
- c) the Doha development agenda
- d) the Davos world forum
- e) all of the above
- f) none of the above

c

44. The IMF is in essence the world's bank. It is different from the world bank in that

- a) the world bank provides financial assistance for developing
- b) the world bank is nicer
- c) the IMF concentrates on helping developing countries
- d) the world bank is headed by asians
- e) all of the above
- f) none of the above

a

45. The IMF stands for International Monetary Fund. What is the real name of the World Bank?

- a) International Bank for Reconstruction and Development
- b) International Finance Corporation
- c) International Development Association
- d) the Bishwa Bank
- e) all of the above
- f) none of the above

a

46. Almost all members of the OECD are countries that are

- a) rich
- b) poor
- c) asian
- d) least developed
- e) all of the above
- f) none of the above

a

47. The objective of the OECD is to

- a) help poor countries
- b) help rich countries maintain their wealth
- c) create jobs
- d) protectionism
- e) all of the above
- f) none of the above

b

48. Which of the following countries is not a part of NAFTA?

- a) Mexico
- b) Canada
- c) USA
- d) UK
- e) all of the above
- f) none of the above

d

49. A customs union is an example of

- a) a regional trade agreement form
- b) the result of customs workers working together
- c) high tariffs
- d) low tariffs
- e) all of the above
- f) none of the above

a

50. Which of the following regional trade agreements is the “strongest”

- a) customs union
- b) ASEAN
- c) common market
- d) Free trade area
- e) all of the above
- f) none of the above

d

51. ASEAN is important because

- a) it controls all the trade in South East Asian countries
- b) it is the only regional trade agreement among South East Asian countries
- c) its clauses are very well defined
- d) Malaysia is a part of ASEAN
- e) all of the above
- f) none of the above

b

52. The African Union was formally launched in

- a) the 60s
- b) the 70s
- c) the 80s
- d) the 90s
- e) the 00s
- f) the 10s

e

53. A major characteristic of ASEAN, which is different from most other regional trade organizations, and which may be its weakness is

- a) the small number of its members
- b) the informality of its agreements
- c) its location
- d) its inclusion of only poor countries
- e) all of the above
- f) none of the above

b

54. The amount of political risk faced by a firm is a direct result of

- a) the extent to which it can be predicted
- b) the size of the ruling party's government
- c) the level of income in the country
- d) the size of the firm
- e) all of the above
- f) none of the above

a

55. Political risks may occur at

- a) national level
- b) industry level
- c) firm level
- d) a, b, & c
- e) all of the above
- f) none of the above

e

56. Which of the following can be a source of government-level risks?

- a) new election
- b) coup d'etat
- c) change of leadership in party
- d) civilian revolution
- e) all of the above
- f) none of the above

e

57. A grand tour where a senior manager is sent to a potential host country on a fact finding mission is used to

- a) mitigate political risk

- b) improve the chances of success
- c) make informed decisions on internationalization of businesses
- d) better understand foreign operating climates
- e) all of the above
- f) none of the above

e

58. Sometimes, it is a good idea to use local talent and resources. This reduces political risks because governments

- a) will think the firm is behaving well
- b) will be less likely to interfere with a firm that helps its economy
- c) will be less likely to take steps that will annoy many of their citizens
- d) b & c
- e) all of the above
- f) none of the above

d

59. Sometimes political risk can be an opportunity. Which of the following is an example

- a) An American firm being asked to close operations in Venezuela
- b) A Russian firm doing good business in Iran due to low competition as a result sanctions posed by other countries
- c) A Chinese firm bidding extremely low prices
- d) A UK firm recovering from financial crisis
- e) all of the above
- f) none of the above

b

60. Which of the following is a reason that Governments interfere in trade?

- a) to protect local industries
- b) national defense needs
- c) barriers to entry raised by foreign firms
- d) young and inexperienced local industries
- e) all of the above
- f) none of the above

e

61. A tariff is a tax on a good, and can be used as a means to control trade. Which of the following is an example of a non-tariff means of control?

- a) voluntary export restraint
- b) tax
- c) advertisements
- d) world bank
- e) all of the above

f) none of the above

a

62. Currently in the G20 summit, the biggest topic of discussion is currency devaluation by China, and Quantitative Easing by America. Countries go for currency devaluation because

- a) it makes domestic goods cheaper in countries it exports to
- b) it makes the country look stronger
- c) it helps in importing more goods cheaply
- d) it results in a healthy fiscal policy
- e) all of the above
- f) none of the above

a

63. Winners of protectionism are usually

- a) the citizens of the country
- b) the government of the country
- c) the firms of the country
- d) the other countries
- e) all of the above
- f) none of the above

c

64. The losers of protectionism are usually

- a) the citizens of the country
- b) the government of the country
- c) the firms of the country
- d) the other countries
- e) all of the above
- f) none of the above

a

65. Retaliation can result in protectionism in which case

- a) a country will engage in more protectionism
- b) its citizens will revolt
- c) other countries will also engage in trade regulation with this country
- d) tariffs will be reduced
- e) all of the above
- f) none of the above

c

66. Some of the major aspects of accounting practices which distinguish between various countries are

- a) purpose
- b) legal requirements
- c) price fluctuations

- d) level of economic advancement
- e) all of the above
- f) none of the above

e

67. In the United Kingdom, the capital market is highly developed. Thus, financial accounting is directed toward

- a) meeting regulation
- b) explaining to government
- c) compliance
- d) conveying information to investors
- e) all of the above
- f) none of the above

d

68. In France and Sweden, the government plays an active part in the management of the countries' resources, and business enterprises are expected to accomplish the government's policies and macroeconomic plans. Financial accounting in those countries is directed toward

- a) decision making by government planners
- b) explaining to stock brokers
- c) compliance
- d) conveying information to investors
- e) all of the above
- f) none of the above

a

69. Code law and common law countries are different in their philosophical bases. The former involves establishing the ideal conduct, whereas the latter involves establishing

- a) bounds which cannot be crossed
- b) minimum levels of conduct
- c) maximum levels of conduct
- d) the exact income tax owed by a company
- e) all of the above
- f) none of the above

a

|

70. In comparison to financial accounting, managerial accounting will be _____ prevalent in _____ countries

- a) more; richer
- b) less; developing
- c) more; developing
- d) less; richer
- e) a & b
- f) c & d

e

71. Which of the following general statements can be made about accounting in developing countries?

- a) There are many very skilled accountants.
- b) There is a shortage of trained accountants.
- c) Accountants concentrate more on managerial accounting
- d) Accountants are corrupt
- e) all of the above
- f) none of the above

b

72. Transfer pricing is

- a) changing the price from one country to the next due to currency differences
- b) acknowledging inflation and using historical cost accounting
- c) multinational companies buying from their own, sometimes at high prices, for successful transfer of money
- d) pegging a price to low cost tax zone
- e) all of the above
- f) none of the above

c

73. The recognition of cultural differences is important because

- a) it is a shrinking world that is getting “flatter”
- b) understanding cultural differences helps us to understand the motivation of others
- c) understanding cultural differences helps us to understand the behavior of others
- d) understanding cultural differences helps us to better predict outcomes
- e) all of the above
- f) none of the above

e

74. Stereotyping is

- a) making a smaller working product and testing to see if it works in different countries
- b) using a stereo to type
- c) to form and nurture assumptions about the role, behavior and attitudes of others, if they fit a certain profile
- d) to look down on others
- e) all of the above
- f) none of the above

c

75. Your friend is arguing that there is nothing wrong with stereotyping. In fact, he suggests it is simply the result of understanding different cultures. The reason he is wrong is

- a) stereotyping takes understanding a bit further, and assumes everyone behaves the same way
- b) stereotypes are sometimes based on wrong assumptions
- c) stereotypes often focus on the negatives, and ignore the positives

- d) stereotypes are being challenged because the world is changing today
- e) all of the above
- f) none of the above

e

76. which of the following forces is helping ethics become “front page news?”

- a) pressure groups
- b) NGOs
- c) demand for ethics
- d) global exchange of ideas
- e) all of the above
- f) none of the above

e

77. Companies found themselves vulnerable to ethical violations for all of the reasons except:

- a) their commitment to global sourcing to lower costs of production
- b) an increase in competition
- c) the emergence of the ethical consumer
- d) rise of the internet
- e) all of the above
- f) none of the above

f...all are reasons

78. One of the major issues concerning negotiations with people from other countries is

- a) money
- b) weather
- c) language
- d) muscle
- e) all of the above
- f) none of the above

c

79. Test your cultural knowledge. Interruption is impolite in many places but not in

- a) UK
- b) France
- c) Germany
- d) Spain
- e) Japan
- f) Bangladesh

d

80. The first step towards adaptation to suit local conditions is

- a) cultural awareness
- b) language learning

- c) foreign-direct investment
- d) links with government
- e) all of the above
- f) none of the above

a

81. Multinationals generally face challenges in
- a) strategic and planning aspects
 - b) internal organization
 - c) interface between internal and external aspects
 - d) a, b & c
 - e) all of the above
 - f) none of the above

e

82. The common thread which runs through all aspects of business activities of international firms is that they are
- a) low risk
 - b) full of great support from HR
 - c) not possible without very very high levels of investment
 - d) they are laced with opportunities and threats
 - e) all of the above
 - f) none of the above

d

83. Which of the following is an opportunity that international business may allow a firm?
- a) healthy finances
 - b) managerial expertise
 - c) advanced production techniques
 - d) growth in market
 - e) all of the above
 - f) none of the above

e

84. Organizational culture refers to
- a) singing and dancing in the firm
 - b) assumptions and beliefs that are shared by members of an organization
 - c) honesty and fairness in the firm
 - d) professionalism in the firm
 - e) all of the above
 - f) none of the above

b

85. When a firm exports home-country style management to subsidiaries, its choice of strategic option can be described as

- a) Ethnocentric
- b) polycentric
- c) global
- d) hybrid
- e) all of the above
- f) none of the above

a

86. Company X has different strategies for different subsidiaries, and therefore has opted for a/an _____ strategic option.

- a) Ethnocentric
- b) polycentric
- c) global
- d) hybrid
- e) all of the above
- f) none of the above

d

87. Polycentric and Hybrid strategic options are similar, except for the fact that

- a) Polycentric is better
- b) Hybrid takes into consideration the subsidiaries' characteristics
- c) Polycentric considers employees' different cultural backgrounds
- d) Hybrid takes into consideration national institutions
- e) all of the above
- f) none of the above

b

88. When subsidiaries are able to come up with good ideas, and parent companies learn from them, it is referred to as

- a) subsidiary-based education
- b) backward linkage
- c) reverse diffusion
- d) Back2HQ
- e) all of the above
- f) none of the above

c

89. Human workers are a resource for the company. But they are special resources, different from land, capital and machinery, because

- a) they have needs
- b) they have emotions
- c) they have attachments
- d) their productivity is based on a complex mechanism that depends on such factors as motivation

- e) all of the above
- f) none of the above

e

90. A soft, developmental, humanism view of HRM considers treating employees as

- a) careless
- b) any other resource
- c) valued assets that are capable of providing competitive advantage
- d) robots
- e) all of the above
- f) none of the above

c

91. International HRM is important because

- a) of a rapid increase in globalization of firms
- b) HRM is becoming more important
- c) there is a shortage of international managers
- d) success and failure in global arena seems to depend on successful HRM
- e) all of the above
- f) none of the above

e

92. The challenging aspect of HRM in most firms with multinational operations is

- a) that people speak different languages
- b) the multicultural nature of their workforce
- c) that foreign managers demand more wages
- d) expatriates are difficult to attract and retain in the firm
- e) all of the above
- f) none of the above

b

93. International HRM has to consider many factors such as

- a) labor market conditions
- b) trade unions and their power
- c) health and safety regulations and global standards
- d) bilateral conventions
- e) all of the above
- f) none of the above

e

94. Individualism and collectivism are somewhat opposite ideas. If individualism is self-interest, collectivism is

- a) multiple interest
- b) self-sacrifice

- c) combined work
- d) autonomy
- e) all of the above
- f) none of the above

b

95. In Japan, the boss might call his team member when the latter falls ill. This is an example of

- a) individualism
- b) collectivism
- c) interference
- d) being nosy
- e) all of the above
- f) none of the above

b

96. When an employee of an individualistic society works overtime, one can interpret that

- a) there is no such thing as individualism, he didn't leave when he could have left
- b) the society is actually collectivist
- c) the worker may be interested in future gains, such as a promotion
- d) the worker forgot to leave
- e) all of the above
- f) none of the above

c

97. Which of the following is not a broad category of management style?

- a) democratic participative
- b) democratic consultative
- c) benevolent autocratic
- d) coercive autocratic
- e) all of the above
- f) none of the above

f

98. Nepotism refers to

- a) recruiting without interviews
- b) recruiting through friends
- c) recruiting through relatives
- d) recruiting without tests
- e) all of the above
- f) none of the above

f

99. Japan and India both have strongly collectivist cultures and thus, their HRM should be transferable. This statement is incorrect because

- a) they are different in other areas such as politics, economies, and other aspects of their culture
- b) India is a poor country
- c) Japan is a rich country
- d) Indians and Japanese do not have collectivist cultures
- e) all of the above
- f) none of the above

a

100. There are two ways in which HRM and other management policies travel between nations. One is multinational companies, and the other is

- a) trade
- b) tax
- c) education
- d) tariffs
- e) all of the above
- f) none of the above

c