



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 Heckscher

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 field project
- b. White field 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.Tariff
- 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 nation's 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 contracts 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. CDBT

67. The balance of payment account is conventionally divided into

- a. Current account and Capital account
- b. Visible account and invisible 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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