

1. The primary advantage to using a standardisation approach to marketing a product in the international arena is:
 - a. minimisation of costs (which can be passed on to customers)
 - b. more profit
 - c. less service complaints
 - d. less product returns.

2. One of the disadvantages that a global marketer may have is _____. This would occur when too much standardisation stifles initiative and experimentation at the local level.
 - a. overcustomisation
 - b. overstandardisation
 - c. technocracy
 - d. group think

3. Differences in both the cultural and physical environment across countries call for a _____ strategy.
 - a. product and communication extension — dual extension
 - b. product invention
 - c. product extension — communications adaptation
 - d. product and communications adaptation — dual adaptation

4. The adoption rate for new products in countries with a _____ population is usually faster than in countries with a highly diverse culture.
 - a. heterogeneous
 - b. complex
 - c. diverse
 - d. homogeneous

5. A _____ is a name, term, sign, symbol or combination of them which is intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competitors.
 - a. trademark
 - b. patent
 - c. brand
 - d. figure

6. Research from an advertising agency survey indicates that the **number one** reason for standardising multinational advertising was to:
 - a. take advantage of demographics
 - b. take advantage of cultural similarities between the countries
 - c. capitalise on the fact that the product was standardised
 - d. create a single brand image in all markets.

7. The global logistics process begins with which of the following?
 - a. Finished products ready for shipment
 - b. Processing and assembly
 - c. Physical distribution
 - d. Raw materials, components and supplies

8. With respect to distribution costs, a geographically large country will normally incur more _____ costs than in smaller countries such as Singapore.
 - a. administration
 - b. warehousing, customer service/order entry, and general administration
 - c. transportation and inventory
 - d. materials handling

9. All of the following are viable options for shipping products internationally on a global basis (anywhere in the world) EXCEPT:
 - a. ocean shipping
 - b. air freight
 - c. cargo liner service
 - d. truck.

10. By increasing _____ before imminent depreciation of a currency instead of holding cash, the firm may reduce its exposure to currency depreciation losses.
 - a. buying power
 - b. plant and equipment
 - c. inventory
 - d. materials handling equipment (such as forklifts)

11. International logistics covers both the movement of raw materials and components into
 - a. manufacturing plants as well as the movement of _____.
 - a. raw materials around the world
 - b. finished products from the plant to a firm's customers around the world
 - c. finished products back to the domestic plant
 - d. raw materials into competitor's plants

12. The identification of an appropriate overseas market and an appropriate segment involves grouping by all of the following criteria EXCEPT:
 - a. socioeconomic characteristics
 - b. political and legal characteristics

- c. consumer variables
 - d. service variables.
13. With respect to direct exporting, the primary difference between a foreign sales subsidiary and a foreign sales branch is that the foreign sales branch:
- a. is larger
 - b. is smaller
 - c. is not a separate legal entity
 - d. uses home country managers.
14. INCOTERMS is an acronym for _____, are the internationally accepted standard definitions for the terms of sale by the International Chamber of Commerce.
- a. Industrial Commercial Terms
 - b. Insurance Commercial Terms
 - c. Irrevocable Commercial Terms
 - d. International Commercial Terms
15. A confirmed irrevocable letter of credit is issued by the _____ bank and confirmed by a bank usually in the _____ country.
- a. importer's, exporter's
 - b. exporter's, importer's
 - c. investment, exporter's
 - d. government's, exporter's
16. Another name for grey market channels is _____.
- a. positioned imports
 - b. concentric marketing
 - c. strategic entry imports
 - d. parallel imports
17. All of the following are drivers that govern **global** pricing decisions **EXCEPT**:
- a. company
 - b. customers
 - c. controls
 - d. competition.
18. Countries with low per-capita income are more _____ than in developed countries.
- a. promotion sensitive
 - b. price sensitive
 - c. need sensitive
 - d. demand sensitive
19. The _____ is another driver of international pricing, particularly relevant for Australia because of the distance to markets.
- a. advertising regulation

- b. distribution channel
 - c. price sensitivity
 - d. price elasticity
20. Which of the following would be a good option to follow if lowering the export price were the firm's objective?
- a. Rearrange the distribution channel
 - b. Change the promotion
 - c. Change the warranty provisions
 - d. Give more of the product in the package as an incentive to purchase
- 1) Increased competition has resulted in:
- a. A complete restructuring of industries
 - b. Investment in plant and technology
 - c. Marketing strategies that emphasise country of origin
 - d. All of the above
2. A marketing approach in which organisations sell their product or service directly or indirectly to overseas buyers is known as:
- a. Export marketing
 - b. Domestic marketing
 - c. Multinational marketing
 - d. Global marketing
3. Global marketing refers to all of the marketing activities except:
- a. Standardisation efforts
 - b. Coordination across markets
 - c. Global integration
 - d. None of the above
4. In the past, foreign direct investment was considered as:
- a. An alternative to exports
 - b. A way to avoid tariff barriers
 - c. A but not b
 - d. A and b
5. The purpose of the WTO is to:
- a. Adjudicate trade disputes among nations
 - b. Oversee the smooth functioning of multilateral trade accords
 - c. Ensure trade flows as smoothly, predictably and freely as possible
 - d. All of the above
6. Which of the following is an example of a regional economic agreement?

- a. WTO
 - b. GATT
 - c. NAFTA
 - d. United Nations
7. Belief that our own political and legal system is always better than those of other countries and that they should change their system to ours is known as _____
- a. Jingoism
 - b. Polycentrism
 - c. Racism
 - d. Ethnocentrism
8. Companies that ignore cultural needs often:
- a. Lose permission to export
 - b. Lose permission to import
 - c. Miss marketplace opportunities
 - d. Lose more salespeople
9. A technique such as _____ is used to sort out the differences when translating a company's documents into other languages
- a. Common translation
 - b. Forward translation
 - c. Back translation
 - d. Inverted translation
10. In global marketing research, the marketing research problem formulation is often hindered by the _____ where a person's habit is to fall back on their own cultural norms and values
- a. Gender bias
 - b. Culture bias
 - c. Global distance factor
 - d. Self-reference criterion
11. Variation in customer needs is the primary motivation for _____
- a. Brand segmentation
 - b. Product segmentation
 - c. Market segmentation
 - d. Quality segmentation
12. The goals of a preliminary screen to determine market opportunities are to minimise mistakes of ignoring countries that offer viable opportunities for the product and:
- a. Offending local governments
 - b. Not wasting time on countries that offer little or no potential
 - c. Offending local merchants
 - d. Violating local advertising laws

13. One of the disadvantages that a global marketer may have is _____. This would occur when too much standardisation stifles initiative and experimentation at the local level.
- Overcustomisation
 - Overstandardisation
 - Technocracy
 - Group think
14. All of the following are drivers that impact the composition of a firm's international product line EXCEPT:
- Customer service and warranty requirements
 - Customer preferences
 - Competitive climate
 - Organisational structure
15. All of the following are barriers to standardisation in international advertising EXCEPT:
- Cultural differences
 - Budget
 - Advertising regulations
 - Differences in the degree of market development
16. Which of the following factors contribute significantly to the increased complexity and cost of global logistics as compared to domestic logistics EXCEPT:
- Domestic intermediaries
 - Service
 - Purchasing
 - Exchange rate fluctuation
17. All of the following are drivers that govern global pricing decisions EXCEPT:
- Company
 - Customer
 - Controls
 - Competition
18. Once brand loyalty has been established, price will play less of a role as a purchase criterion, and the firm may be able to institute a _____ strategy.
- Demand-based
 - Premium pricing
 - Elastic pricing
 - Promotion related pricing
19. The easiest product to sell abroad with respect to logistics is a(n) _____ product.
- differentiated
 - semi-standardised
 - standardised
 - grey market

20. When making pricing decisions, _____ set(s) the floor.
- profits
 - costs
 - demand
 - supply
1. _____ means offering a uniform product on a regional or worldwide basis (only minor alterations are made to meet local standards).
- Customisation
 - Standardisation
 - Miniaturisation
 - Assimilation
2. Part of the appeal of imported brands is often their _____.
- foreignness
 - price
 - customisation
 - adaptation
3. _____ is the characteristic of foreign products that provides cachet and differentiation from the local brands.
- foreignness
 - price
 - customisation
 - adaptation
4. _____ are always eager to experiment with new ideas and products.
- Early adopters
 - Early majority
 - Late majority
 - Prior adopters
5. Pirated products tend to be of _____ quality so may damage the brand's reputation.
- good
 - poor
 - high
 - special

6. The 'Made in' label as an important source of assessing the value of a product is an example of:
 - a. regionalism
 - b. nationalism
 - c. the country of origin (COO) effect
 - d. social sensitivity.

7. Advertising to some extent is a _____ phenomenon.
 - a. cultural
 - b. social
 - c. static
 - d. global

8. The solution for overcoming language barriers is to do which of the following?
 - a. Use local advertising agencies
 - b. Ensure all copy research and testing is done meticulously
 - c. Use the English slogan worldwide
 - d. All of the above

9. In which of the following would comparative advertising likely be the most effective?
 - a. Collectivism combined with individualism
 - b. Femininity combined with collectivism
 - c. Masculinity combined with individualism
 - d. Masculinity combined with collectivism

10. A good case can be made for standardising an ad campaign in the international marketplace. All of the following are advantages of standardisation EXCEPT:
 - a. economies of scale
 - b. growth of global media
 - c. government regulation
 - d. global markets and consumers.

11. Major media limitation(s) faced by marketers in many markets is/are:
 - a. media availability
 - b. media costs
 - c. the overall quality of the media
 - d. all of the above.

12. In a modern sense, the goal of many MNCs is to pursue a(n) _____ program. In this program, coordination of all communication vehicles would take place. Key ideas would be communicated in a unified manner.
 - a. vertical communications
 - b. horizontal communications

- c. integrated marketing communications
 - d. global communications
13. International _____ is defined as the design and management of a system that directs and controls the flows of materials into, through and out of the firm across national boundaries to achieve its corporate objectives at a minimum total cost.
- a. goods flow
 - b. distribution
 - c. logistics
 - d. wholesaling
14. The movement of the firm's finished products to its customers, consisting of transportation, warehousing, inventory, customer service/order entry, and admission is referred to as:
- a. physical distribution
 - b. purchasing
 - c. intermodal transportation
 - d. global logistics.
15. All of the following factors contributed significantly to the increased complexity and cost of global logistics as compared to domestic logistics EXCEPT:
- a. exchange rate fluctuation
 - b. distance
 - c. domestic intermediaries
 - d. foreign intermediaries.
16. If a product were to be categorised as being heavy, bulky, and nonperishable, probably the best form of global shipping would be:
- a. ocean shipping
 - b. air freight
 - c. truck
 - d. rail.
17. _____ is the contracting of all or part of a firm's logistics operations to an independent, specialised logistics service provider.
- a. Logistics management
 - b. Third-party logistics
 - c. Freight forwarding
 - d. Intermodal transportation
18. Exporting is usually the _____ mode of entry used by many companies.
- a. most popular
 - b. least favourite

- c. second most popular
 - d. third most popular
19. The first step in developing a set of target countries is to use available _____.
- a. primary data
 - b. secondary data
 - c. tertiary data
 - d. Internet data
20. When brand names mean something detrimental to the prospect of the product, the product most probably needs to be _____.
- a. standardised
 - b. adapted
 - c. extended
 - d. pronounced
21. _____ risk exists when the sale is in the importer's currency and that currency depreciates in terms of the dollar, leaving the exporter with a lesser number of dollars.
- a. Foreign credit
 - b. Foreign exchange
 - c. Credit
 - d. Foreign payment
22. The _____ agreement is of major importance for Australia.
- a. Australia–US free trade
 - b. Australia–Japan Trade and Economic Framework
 - c. Australia–New Zealand trade
 - d. WTO trade
23. A duty charged on imported merchandise sold to importers if it is at a price that is less than the WTO's definition of fair market value is called a/n _____.
- a. ad valorem duty
 - b. countervailing duty
 - c. duty drawback
 - d. antidumping import duty
24. _____ is the only marketing mix instrument that creates revenues.
- a. Product
 - b. Price
 - c. Place
 - d. Promotion

25. In addition to company, customers, competition, and channel drivers that influence price, _____ can have a dramatic affect on the way price is used and administered.
- break-even analysis
 - regression functions
 - supply and service curves
 - government policies
26. _____ is a function of buying power, tastes, habits, cultural norms and substitutes.
- Customer needs
 - Customer demand
 - Competition
 - Company costs
27. Wide gaps in the price sensitivity between countries for the same product many times create conditions that promote _____ markets.
- black
 - grey
 - white
 - demand
28. Huge government deficits are examples of a(n) _____ impact on pricing decisions.
- direct
 - indirect
 - artificial
 - planned
29. LEGO, the Danish toymaker, rather than worrying about finding ways to lower the price of its product in foreign markets has chosen (most LEGO sets are sold from \$6–\$223) to adopt a _____ strategy position.
- demand-based
 - premium pricing
 - elastic pricing
 - promotion-related pricing
30. All of the following are exporter strategies when the domestic currency is weak EXCEPT:
- stress price benefits
 - engage in nonprice competition by improving quality, delivery and aftersale service
 - expand the product line and add more
 - shift sourcing and manufacturing to domestic market.
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Sample Set D

1. Which one of the following is true about the GATT?
 - a. The initial rounds of GATT concentrated only on the trade of services
 - b. The main focus of GATT was on tariff barriers, and many nations used non-tariff barriers
 - c. GATT was a permanent institution
 - d. All of the above
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 - b. Polycentrism
 - c. Racism
 - d. Ethnocentrism

8. Which one of the following is NOT part of Hofstede's cultural classification scheme?
 - a. Power distance
 - b. Individualism
 - c. Masculinity
 - d. Nationalism

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11. Which one of the following is an example of wholly-owned subsidiaries?
 - a. Greenfield operations
 - b. Licensing
 - c. Exporting
 - d. Joint venture

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