

Sample Questions for Practice

Course: MFM/MMM/MHRDM – (Second Year) (Semester – I) (Choice Based) Dec 2020 Examinations
Subject: International Business

1. In which of the following modes of entry, does the domestic manufacturer give the right to use intellectual property such as patent and trademark to a manufacturer in a foreign country for a fee
 - a. Licensing
 - b. Contract manufacturing
 - c. Joint venture
 - d. Exports

2. Which one of the following modes of entry brings the firm closer to international markets?
 - a. Licensing
 - b. Franchising
 - c. Contract manufacturing
 - d. Joint venture

3. Which of the following is not an advantage of exporting?
 - a. Easier way to enter into international markets
 - b. Comparatively lower risks
 - c. Limited presence in foreign markets
 - d. Less investment requirements

4. Which one of the following is not amongst India's major trading partners?
 - a. USA
 - b. UK
 - c. Germany
 - d. New Zealand

5. Horizontal and Vertical are types of:
 - a. Greenfield strategy
 - b. Licensing and franchising
 - c. Mergers and acquisitions
 - d. Greenfield investments

6. The international monetary system introduced by Bretton Woods rested on
 - a. The maintenance of stable exchange rates
 - b. multilateral credit mechanism institutionalised in the IMF
 - c. The principle of gold standard
 - d. The principle of agricultural output

7. A case of international price discrimination in which an exporting firm sells at a lower price in a foreign market than it charges in other markets, is known as
 - a. Dumping
 - b. Non-Dumping
 - c. Anti-Dumping
 - d. Mark-up pricing

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8. NAFTA is an example of:
- Common Market
 - Customs Union
 - Economic Community
 - Free Trade Area
9. Which of the following is not the objective of the IMF?
- To promote international monetary cooperation
 - To ensure balanced international trade
 - To ensure exchange rate stability
 - To provide loan to private sector
10. The cultural environment of a country is best defined by which of the following characteristics:
- Production process and standards of measurement.
 - Economic community membership.
 - Values, attitudes, heroes, myths and beliefs.
 - Standard of living and stage of economic development.
11. Pepsi International supplies rice to South Africa from India. From South Africa, it procures the steel equivalent of the rice provided and supplies it to Ghana. From Ghana, it procures coffee and cocoa equivalent to the steel imports and sells them to Canada. Canada has sufficient foreign exchange reserves to pay for them.
- The above transactions are an example of:
- Contract Management
 - Counter Purchase
 - Contract Manufacturing
 - Contract Marketing
12. Hofstede's dimensions of culture were based on a study at:
- Google
 - Pepsi
 - Intel
 - IBM
13. Which of the following is a case of 'International Exports'?
- Wal-Mart decides to expand to India and purchases a large plot of land in Noida for its first store
 - Star Fisheries of India ships 20 truckloads of seafood to the USA
 - Bank of Baroda sends \$ 30 million dollars to its subsidiary in Kenya
 - Nissan Automobiles, Japan starts a production unit in Chennai, India

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14. One of the following lists the global market entry modes from Lowest Level of Risk/Commitment to the Highest Level of Risk/Commitment.
Identify that list from the options given below:
- a. Acquisition - Joint Venture - Licensing - Exporting
 - b. Exporting - Licensing - Joint Venture - Acquisition
 - c. Joint Venture - Licensing - Exporting - Acquisition
 - d. Exporting - Acquisition - Joint Venture – Licensing
15. Which one of the following modes of entry permits greatest degree of control over overseas operations?
- a. Contract manufacturing
 - b. Licensing/Franchising
 - c. Wholly owned subsidiary
 - d. Joint venture
16. The cultural environment of a country is best defined by which of the following characteristics:
- a. Production process and standards of measurement.
 - b. Economic community membership.
 - c. Values, attitudes, heroes, myths and beliefs.
 - d. Standard of living and stage of economic development.
17. Hofstede argues that:
- a. International firms can easily transfer their ways of working from one country to another
 - b. Business does not need to take into account the norms and values of the countries where they operate
 - c. Each country has a single culture
 - d. National Culture is more influential than Organizational Culture
18. Raymond Vernon's International Product Life Cycle theory:
- a. shows why the United States, surprisingly, exports relatively more labor-intensive goods and imports capital-intensive goods
 - b. helps explain the movement from absolute advantage to comparative advantage
 - c. helps explain why a product that begins as a nation's export often ends up becoming an import
 - d. extends the concept of comparative advantage by bringing into consideration the endowment and cost of factors of production
19. What one of the following is not the advantage of MNCs to the host country
- a. Increase in social activities
 - b. Increase in economic activities
 - c. Utilisation of natural resources
 - d. R&D efforts enhanced

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20. Which Ministry entrusted with formulating and implementing the ‘Foreign Trade Policy’ and responsibilities relating to multilateral and bilateral commercial relations, export promotion measures, and development and regulation of certain export-oriented industries and commodities of India? Who is the head of that ministry?
- Ministry of Corporate Affairs – Mr. Amit Shah
 - Ministry of External Affairs – Mr. Jaishankar
 - Ministry of Commerce & Industry – Mr. Piyush Goyal
 - Ministry of Overseas Indian Affairs – Ms. Nirmala Sitharaman
21. *Example 01:* Saudi Arabia agreed to buy Ten 747 jets from Boeing with payment in crude oil, discounted at 10 percent below posted world oil prices.
Example 02: General Electric won a contract for a \$150-million electric-generator project in Romania by agreeing to market \$150 million of Romanian products in markets to which Romania did not have access.
- The above cases are examples of:
- Contract Manufacturing
 - Foreign Direct Investment
 - Counter Trade
 - Management Contracts
22. Out of the following, one is not related with WTO:
- TRIPS
 - Ministerial Conference
 - TRIMS
 - TRAI
23. Which of the following does not belong to the World Bank group?
- IBRD
 - IDA
 - MIGA
 - IMF
24. TRIPS is one of the WTO agreements that deal with
- Trade in agriculture resources
 - Trade in International products and services
 - Trade Related Investment Measures for Profits
 - Trade-Related Aspects of Intellectual Property Rights
25. When did the government started to remove the barriers on foreign trade and foreign investment in India?
- 1990
 - 1991
 - 1992
 - 1993
