

- 1) In terms of international business, it is most accurate to say that _____.
A) there is a universal "best way" to conduct business
B) global competition affects large companies but not small ones
C) most firms depend either on foreign markets and supplies or compete against companies that do
D) government regulation of international business has little effect on a company's profits

Answer: C

Diff: 2

Skill: Concept

Objective: 1-1 Explain why and how the study of international business (IB) is important

AACSB: Reflective thinking

- 2) Individuals should most likely study international business to _____.
A) comply with graduate school certification requirements
B) ensure that an employer has a global online presence
C) remain current on the latest business methods
D) obtain bilingual business experience

Answer: C

Diff: 1

Skill: Application

Objective: 1-1 Explain why and how the study of international business (IB) is important

AACSB: Application of knowledge

- 3) Devon, an accounts manager at a large electronics firm, does not have any direct international responsibilities; however, Devon would most likely benefit from studying international business issues so that he can _____.
A) conduct better job interviews
B) better understand how foreign operations affect the company's competitive position
C) supervise and evaluate subordinates who have global assignments
D) understand the legalities of importing and exporting products overseas

Answer: B

Diff: 2

Skill: Application

Objective: 1-1 Explain why and how the study of international business (IB) is important

AACSB: Application of knowledge

4) Why is it relevant for today's business students to study international business and to become culturally literate?

Answer: There are several reasons to study international business. Most large organizations will have international operations or be affected by the global economy. In addition, an understanding of international business will allow students to better assess career opportunities, interact more effectively with other managers, and keep pace with competitors. Furthermore, students may eventually work for a company headquartered in another country. Finally, small businesses are becoming more involved in international business. Being culturally literate means having an understanding of different countries and cultures. Having some knowledge of how a country or company fits into the global economy can help a business person earn respect, confidence, and a competitive edge.

Diff: 2

Skill: Concept

Objective: 1-1 Explain why and how the study of international business (IB) is important

AACSB: Reflective thinking

5) How does international business differ from domestic business? Why is it important for business students to learn about international business?

Answer: Domestic business involves transactions that occur within a single country, while international business involves transactions that cross national borders. Students should learn about IB because most large firms have global operations and many small firms are expanding into the international arena.

Diff: 2

Skill: Concept

Objective: 1-1 Explain why and how the study of international business (IB) is important

AACSB: Reflective thinking

6) The widening set of interdependent relationships among people from different parts of the world is known as _____.

- A) globalization
- B) offshoring
- C) franchising
- D) outsourcing

Answer: A

Diff: 1

Skill: Concept

Objective: 1-2 Understand the relationship between globalization and IB

AACSB: Reflective thinking