RJSMS Lecture Notes on International Business

1. The first phase of globalization started around 1870 and ended with ..... 
   a. World War I  
   b. World War II  
   c. The Establishment of GATT  
   d. In 1913 when GDP was High  

   Ans: a

2. IBRD (International Bank for Reconstruction and Development) also known as

   a. Exim Bank  
   b. World Bank  
   c. International Monetary fund  
   d. International Bank  

   Ans: b

3. Ultimately ...............was replaced by the ...............on 1st Jan 1995

   a. GATS, WTO  
   b. WTO, GATT  
   c. GATT, WTO  
   d. IMF, GATT  

   Answer: c

4. Which is the right sequence of stages of Internationalization

   a. Domestic, Transnational, Global, International, Multinational  
   b. Domestic, International, Multinational, Global, Transnational  
   c. Domestic, Multinational, International, Transnational, Global  
   d. Domestic, International, Transnational, Multinational, Global  

   Answer: b

5. Subsidiaries consider the regional environment for policy / Strategy formulation is known as

   a. Polycentric Approach  
   b. Regiocentric Approach
c. Ethnocentric Approach

d. Geocentric Approach

Answer: b

6. 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

Answer: c

7. The Theory of Absolute Cost Advantage is given by

a. David Ricardo
b. Adam Smith
c. F W Taylor
d. Ohlin and Heckscher

Answer: b

8. The Theory of Relative Factor Endowments is given by

a. David Ricardo
b. Adam Smith
c. F W Taussig
d. Ohlin and Heckscher

Answer: d

9. The theory of comparative cost advantage is given by

a. David Ricardo
b. Adam Smith
c. F W Taussig
d. Ohlin and Heckscher

Answer: a

10. .............is the application of knowledge which redefines the boundaries of global business
11. Capitalistic, communistic and mixed are the types of

- Economic System
- Social System
- Cultural Attitudes
- Political System

Answer: a

12. Which is not an Indian Multinational Company?

- Unilever
- Asian Paints
- Piramal
- Wipro

Answer: a

13. Globalization refers to:

- Lower incomes worldwide
- Less foreign trade and investment
- Global warming and their effects
- A more integrated and interdependent world

Answer: d

14. Which of the following is not a force in the Porter Five Forces model?

- Buyers
- Suppliers
- Complementary products
- Industry rivalry

Answer: c
15. Comparative Cost Trade Theory is given by

   a. Adam Smith  
   b. David Ricardo  
   c. Gottfried Haberler  
   d. Heckscher Ohlin

   Answer: b

16. …….is the payment method most often used in International Trade which offers the exporter best assurance of being paid for the products sold internationally.

   a. Bill of Lading  
   b. Letter of Credit  
   c. Open Account  
   d. Drafts

   Answer: b

17. Key controllable factors in global marketing are:

   a. Government policy and legislation  
   b. social and technical changes  
   c. marketing activities and plans  
   d. all of the above.

   Answer: c

18. Select example of Indian Multinational Company

   a. Hindustan Unilever  
   b. Videocon  
   c. Cargill  
   d. Tesco

   Answer:b

**Multinational Corporations**

19. ..................corporation produces in the home country or in a single country and focuses on marketing these products globally or vice a versa.

   a. Global  
   b. International
c. Transnational
d. None of the above

Ans: a

20. The ——— company produces, markets, invests and operates across the world

a. Global
b. International
c. Transnational
d. Multinational

Answer: c

21. …..is only a legal agreement and it is not an institution, but ….. is a permanent institution.

a. GATT, WTO
b. WTO, GATT
c.WTO, IMF
d. IMF, GATT

Answer: a

22. The WTO was established to implement the final act of Uruguay Round agreement of …..

a. MFA
b. GATT
c. TRIP’s
d. UNO

Ans: GATT

23. WTO stands for

a. World technology association
b. World time organization
c. World trade organization
d. World tourism organization

Ans: c

24. NAFTA stands for
a. North African trade association  
b. North American free trade agreement  
c. Northern Atlantic trade agreement  
d. Northern association for trade  

Ans: b

25. IPR stands for  
a. Intellectual property rights  
b. International property rights  
c. Internal promotion rights  
d. Interior promotional rights  

Ans: a

26. The main promoter of trade liberalization was  
a. GATT  
b. NAFTA  
c. CEPTA  
d. CISA  

Ans. a. GATT

27. MNC Stands for  
a. Multi-National Cooperation  
b. Multi-National Corporation  
c. Multi-National Company  
d. Multi-National Collaboration  

Ans: b

28. _______ is the first step in the internationalization process.  
a. License  
b. Foreign Investment  
c. Sales  
d. Export  

Answer: a

29. SMEs stands for:
30. The OECD stands for:

a. Organization for Economic Co-operation and Development
b. Organization for Economic Coordination and Development
c. Organization for Environmental Cooperation and Development.
d. Organization for Environmental Control and Development

Answer: a