Chapter-1: Framework of International Marketing

Self Assessment Questions

1. The correct components of the 7-S framework are:
   a. structure, strategy, shared values, style, staff, skills and systems.
   b. strategy, synergy, shared value, standardization, skills, staff and structure.
   c. shared values, synergy, systems, strategy, style, staff and structure.
   d. standards, strategy, style, staff, skills, systems and security.

2. With the globalization of markets, the tastes and preferences of consumer’s world-wide are:
   a. so different that they can be ignored by international organizations.
   b. becoming similar to the tastes and preferences of American consumers.
   c. converging upon a global norm.
   d. being encouraged by multinational organizations to become increasingly similar.

3. The main advantage of a differentiation strategy in international markets lies in that:
   a. consumers in foreign markets pay less for the same product.
   b. imitators cannot reduce margins.
   c. the focus is taken away from price.
   d. it enables brand stretching and extension.

4. The goals of international marketing are to:
   a. create and retain customers in global markets.
   b. expand business activities abroad.
   c. eliminate competition in international markets.
   d. gain market share and increase profit.

5. Being a global organization means:
   a. customizing the product range for each segment in part.
b. creating both standardized and customized products.
c. creating standardized products for homogeneous markets.
d. any of the above.

6. Which of the following represents a company’s effort to identify and categorize groups of customers and countries according to common characteristics?
   a. Global positioning.
   b. Global market segmentation.
   c. Global marketing research.
   d. Global targeting.

7. A global market leader is an organization which:
   a. is ahead of the competition in terms of global innovation.
   b. has more than 50% global market share.
   c. has the monopoly over several foreign markets.
   d. is recognized as being ahead of the rest in terms of market share.

8. .......... typically offer more flexibility in international markets.
   a. LSEs
   b. SMEs
   c. MNEs
   d. None of the above

9. From the point of view of marketing, an organization that enjoys competitive advantage in an industry has done so by:
   a. constantly enlarging its marketing activities.
   b. focusing on long-term profit.
   c. charging lower prices than competition.
   d. creating superior value for customers.
10. Regionalism is:
   a. an international management orientation.
   b. a protectionist policy created to exclude third world countries from certain forms of international trade.
   c. the grouping of countries into regional clusters based on geographic proximity.
   d. an international management orientation and a protectionist policy created to exclude third world countries from certain forms of international trade.

11. The main aim of global marketing is to:
   a. find global customers.
   b. coordinate the marketing activities within the constraints of the global environment.
   c. satisfy global customers better than competition.
   d. achieve all of the above.

12. Within an international context, what are 'economies of scope' synonymous with?
   a. Decreased cost per unit of output.
   b. Reusing a resource from one business/country in additional businesses/countries.
   c. Buying components in a bulk.
   d. Any of the above.

13. The work of an international marketer is mainly concerned with:
   a. adapting a marketing mix to enter a market in another country.
   b. transferring a marketing mix to enter a market in another country.
   c. translating product instructions and advertising messages.
   d. establishing global brands.

14. Key controllable factors in global marketing are:
   a. social and technical changes.
15. Which of the following cannot be classed as a market structure?
   a. Communism.
   b. Monopolistic competition.
   c. Perfect competition.
   d. Oligopoly.

16. Income and population are two variables that can be used in ................ segmentation:
   a. psychographic
   b. demographic
   c. behavioural
   d. lifestyle

17. Strong exchange rates can:
   a. help estimate consumer purchasing power.
   b. help predict change in lifestyle across Europe.
   c. drive imports to become cheaper.
   d. predict the evolution of sales for particular brands.

18. BERI stands for:
   b. Business Environment Risk Index.
   c. Business Education Rating Indicator.
d. Business Economic Risk Index.

19. The ............... is based upon the identification of relative changes in international import shares among various countries.
   a. FDI index
   b. profit-share model
   c. shift-share approach
   d. international balance of trade

20. This EU member is known for having the most product standards:
   a. Great Britain.
   b. France.
   c. Poland.
   d. Germany.

Answers for Self Assessment Questions
1. (a)   2.(c)   3.(c)   4.(a)   5.(b)
6. (b)   7.(d)   8. (b)   9.(d)   10.(c)
11.(d)   12.(b)   13.(a)   14.(c)   15. (a)
16.(b)   17.(c)   18.(b)   19.(c)   20. (d)
Chapter-2: International Marketing Process

Self Assessment Questions

1. Internal records are an important source of information. Which of the following are not deemed as internal records?
   a. Customer service records.
   b. Accounting records.
   c. Competitor information.
   d. Manufacturing records.

2. Dunn and Bradstreet is the world’s largest research organisation that specialises in information management and marketing intelligence. Which is one of its largest subsidiaries that are focused upon the retail industry?
   a. Key Account Scantrack.
   b. Nielsen.
   c. Info Act Workstation.
   d. Homescan.

3. There are various types of research designed to obtain different types of information. What type of research is used to define problems and suggest hypotheses?
   a. Primary research.
   b. Descriptive research.
   c. Causal research.
   d. Secondary research.

4. Which of the following is not a defined use of marketing research?
   a. To generate, refine and evaluate marketing actions.
b. To justify previous marketing decisions.

c. To identify and define marketing opportunities and problems.

d. To improve understanding of the marketing process.

5. Which of the following is not a sales forecasting method?

a. Time series analysis.

b. Binomial regression.

c. Time lag analysis.

d. Leading indicators.

6. What type of research would be appropriate in the following situation?

Nestlé wants to investigate the impact of children on their parents' decisions to buy breakfast foods.

a. Focus groups.

b. Mixed methodology.

c. Qualitative research.

d. Quantitative research.

7. What type of research would be appropriate in the following situation?

A college or university bookshop wants to get some insights into how students feel about the shop's merchandise, prices and service.

a. Qualitative research.

b. Quantitative research.

c. Focus groups.

d. Secondary data.
8. What type of research would be appropriate in the following situation?  
L’Oreal wants to determine whether a new line of deodorants for teenagers will be profitable.
   a.  Quantitative research.
   b.  Mixed methodology.
   c.  Primary research.
   d.  Focus groups.

9. Why is market research an essential tool for the marketing manager?  
   a.  Monitor progress and diagnose the root causes of marketing problems.
   b.  Develop more appropriate marketing mixes.
   c.  Monitor changing needs and attitudes, etc.
   d.  All of the above.

10. The Internet is a powerful mechanism for conducting research. However it does have its drawbacks. Which of the following signify these drawbacks?  
    a.  Lack of information about the population responding to the questionnaire.
    b.  The possible inclusion of individuals not being targeted, that could skew the results.
    c.  Eye contact and body language, (two useful research indicators) are excluded from the analysis.
    d.  All of the above.

11. When a company acquires a supplier through an acquisition strategy, this is referred to as:  
    a.  backward integration.
    b.  vertical marketing system.
    c.  forward integration.
12. Introducing new products to existing markets is an example of:
   a. horizontal diversification.
   b. concentric diversification.
   c. conglomerate diversification.
   d. vertical diversification.

13. What is the statement of the organisation's purpose?
   a. Organisational perspective.
   b. Organisational intent.
   c. Mission statement.

14. Corporate strategy is:
   a. the implementation of plans to achieve long-term aims.
   b. reactive to short-term competitive activity.
   c. the framework for functional marketing strategy.
   d. decided by functional marketing strategy.

15. Which of the following statements are not true of market challengers?
   a. They have a vested interest in the status quo.
   b. They tend to use penetration pricing strategies as a way of expanding their existing business.
   c. They carry out flanking activities.
   d. They often direct their competitive activity at smaller firms.
16. West Coast Fish have no formal organisation for marketing. Where this would be stated in its marketing plan?

a. Financial controls.
b. Executive summary.
c. SWOT Analysis.
d. Marketing strategy.

17. The ACME Company sets its marketing budget by estimating the market leader’s marketing spends. This approach to setting a budget is called:

a. marginal approach.
b. percent of sales method.
c. comparative parity method.
d. objective and task method.

18. To develop its market segments, West Coast Fish planned sales visits to the top 25 hotels and restaurants in Ireland. Where would this appear in a marketing plan?

a. Executive summary.
b. Action plans.
c. Marketing strategies.
d. Critical issues.

19. ACME Company sets its advertising budget by only spending up to the point where any further spending would not generate enough extra business to justify the outlay. What approach is it using to setting the budget?

a. Objective method.
b. Marginal approach.
c. Comparative parity method.
d. All-you-can-afford method.
20. What are marketing intermediaries?

a. Competitors that come between a company and its customers
b. Banks and credit unions
c. Wholesalers
d. Firms that help the company promote, sell and distribute its goods to final buyers

Answers for Self Assessment Questions

1. (c) 2. (b) 3. (b) 4. (b) 5. (b)
6. (c) 7. (c) 8. (b) 9. (d) 10. (d)
11. (c) 12. (a) 13. (c) 14. (a) 15. (a)
16. (c) 17. (c) 18. (b) 19. (b) 20. (d)
Chapter-3: International Economic Environment

Self Assessment Questions

1. A primary reason why nations conduct international trade is because:
   a. Some nations prefer to produce one thing while others produce another
   b. Resources are not equally distributed to all trading nations
   c. Trade enhances opportunities to accumulate profits
   d. Interest rates are not identical in all trading nations

2. A main advantage of specialization results from:
   a. Economics of large scale production
   b. The specializing country behaving as a monopoly
   c. Smaller production runs resulting in lower unit costs.
   d. High wages paid to foreign workers

3. International trade in goods and services is sometimes used as a substitute for all of the following except:
   a. International movements of capital.
   b. International movements of labor.
   c. International movements of technology
   d. Domestic production of different goods and services

4. If a nation has an open economy it means that the nation:
   a. Allows private ownership of capital.
   b. Has flexible exchange rates
c. Has fixed exchange rates

d. Conducts trade with other countries

5. International trade forces domestic firms to become more competitive in terms of:

a. The introduction of new products

b. Product design and quality

c. Product price

d. All of the above

6. The movement to free international trade is most likely to generate short-term unemployment in which industries:

a. Industries in which there are neither imports nor exports

b. Import-competing industries.

c. Industries that sell to domestic and foreign buyers

d. Industries that sell to only foreign buyers

7. International trade is based on the idea that:

a. Exports should exceed imports

b. Imports should exceed exports

c. Resources are more mobile internationally than are goods

d. Resources are less mobile internationally than are goods

8. Arguments for free trade are sometimes disregarded by politicians because:

a. Maximizing domestic efficiency is not considered important

b. Maximizing consumer welfare may not be a chief priority
c. There exist sound economic reasons for keeping one’s economy isolated from other economies.

d. Economists tend to favor highly protected domestic markets

9. Which American industry has least been affected by import competition in recent years
   a. Automobiles
   b. Steel
   c. Radios and TVs
   d. Computer software

10. The largest amount of trade with the United States in recent years has been conducted by:
    a. Canada
    b. Germany
    c. Mexico
    d. United Kingdom

11. Increased foreign competition tend to
    a. Intensify inflationary pressure at home
    b. Induce falling output per worker-hour for domestic workers
    c. Place constraints on the wages of domestic workers
    d. Increase profits of domestic import-competing industries

12. For the United States, exports plus imports are about ............... of its gross national product:
    a. 5 percent
    b. 10 percent
13. Major trading partners of the United States including all of the following countries except:
   a. Canada
   b. Mexico
   c. China
   d. North Korea

14. Free traders maintain that an open economy is advantageous in that it provides all of the following except:
   a. Increased competition for world producers
   b. A wider selection of products for consumers
   c. The utilization of the most efficient production methods
   d. Relatively high wages levels for all domestic workers

15. Recent pressures for protectionism in the United States have been motivated by all of the following except:
   a. U.S. firms shipping component production overseas
   b. High profit levels for American corporations
   c. Sluggish rates of productivity growth in the United States
   d. High unemployment rates among American workers

16. International trade tends to cause welfare losses to at least some groups in a country
   a. The less mobile the country’s resources
b. The more mobile the country’s resources

c. The lower the country’s initial living standard

d. The higher the country’s initial living standard

17. For the United States, automobiles are:

a. Imported, but not exported

b. Exported, but not imported

c. Exported and imported

d. Neither imported nor exported

18. A feasible effect of international trade is that a (an):

a. Monopoly in the home market becomes an oligopoly in the world market

b. Oligopoly in the home market becomes a monopoly in the world market

c. Purely competitive firm in the home market becomes an oligopolist

d. Purely competitive firm in the home market becomes a monopolist

19. International trade in goods and services tends to:

a. Increase all domestic costs and prices

b. Keep all domestic costs and prices at the same level

c. Lessen the amount of competition facing home manufacturers

d. Increase the amount of competition facing home manufacturers

20. The real income of domestic producers and consumers can be increased by:

a. Technological progress, but not international trade

b. International trade, but not technological progress

c. Technological progress and international trade
d. Neither technological progress nor international trade

Answers for Self Assessment Questions

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Chapter-4: Exports and Import Quality control

Self Assessment Questions

1. In finance we refer to the market for short-term government and corporate debt securities as the ..................__ market.
   a. money
   b. capital
   c. primary
   d. secondary

2. Which of the following would generally have unlimited liability?
   a. A limited partner in a partnership.
   b. A shareholder in a corporation.
   c. The owner of a sole proprietorship.
   d. A member in a limited liability company (LLC).

3. The Chance Dice Corporation had taxable income (excluding capital gains) of $16 million. Under the Revenue Reconciliation Act of 1993, the firm's $10,000 of realized capital gains will be taxed at ..................__.
   a. 39 percent
   b. 35 percent
   c. 34 percent
   d. the average tax rate of the firm

4. A corporation in the U.S. estimates and pays it taxes ..................__.
   a. monthly
   b. quarterly
5. The average tax rate is equal to the ................____.
   a. total tax liability divided by taxable income
   b. rate that will be paid on the next dollar of taxable income
   c. median marginal tax rate
   d. percentage increase in taxable income from the previous period

6. Accounting.com has purchased 3-year class equipment for $100,000. It uses the MACRS method of depreciation. What is tax depreciation for the fourth year?
   a. $0
   b. $7,410
   c. $25,000
   d. $33,333

7. In finance we refer to the market where existing securities are bought and sold as the ................____ market.
   a. money
   b. capital
   c. primary
   d. secondary

8. Which of the following is not an example of a financial intermediary?
   a. Wisconsin S&L, a savings and loan association.
   b. Strong Capital Appreciation, a mutual fund.
Microsoft Corporation, a software firm.

College Credit, a credit union.

9. How are funds allocated efficiently in a market economy?
   a. The economic unit that considers itself most in need of funds receives funds first followed by those who are less in need.
   b. Receipt of funds is rotated over time so that each economic unit can receive them in turn.
   c. The largest economic units receive the funds first followed by smaller firms if sufficient funds are available.
   d. The economic unit that is willing to pay the highest expected return for a given risk level receives the funds.

10. What mechanism ensures that large firms who benefit from tax laws pay some minimum amount of tax?
   a. Annual minimum tax.
   b. Alternative minimum tax.
   c. Minimum tax law.
   d. Corpulent minimum tax.

11. A profitable firm would prefer to use which of the following methods of depreciation -- for tax purpose -- for a given depreciable asset, all else equal?
   a. Straight-line.
   b. Double-declining-balance.
   c. Modified accelerated cost recovery system.
   d. All of the above techniques are equally useful for a profitable firm because they provide the same tax deductions over the life of the asset.
12. A major disadvantage of the corporate form of organization is the .................__.
   a. double taxation of dividends
   b. inability of the firm to raise large sums of additional capital
   c. limited liability of shareholders
   d. limited life of the corporate form

13. Which of the following examples would be deductible as an expense on the corporation’s income statement?
   a. Interest paid on outstanding bonds.
   b. Cash dividends paid on outstanding common stock.
   c. Cash dividends paid on outstanding preferred stock.
   d. All of the above.

14. A corporation that receives $1,000 in dividends from another corporation, of which they have owned 10% for one full year, will be taxed on how much of those dividends?
   a. All $1,000 of the dividends.
   b. None of the dividends since it is from another corporation.
   c. $100 (10% of $1,000) since they owned a 10% position for at least 6 months.
   d. $300 (30% of $1,000) since 70% of dividends is tax exempt.

15. In finance we refer to the market where new securities are bought and sold for the first time as the .................__ market.
   a. money
   b. capital
   c. primary
   d. secondary
16. Limited liability companies (LLCs) generally possess no more than two of the following four (desirable) characteristics: (1) limited liability, (2) centralized management, (3) unlimited life, and (4) the ability to transfer ownership interest without prior consent of the other owners. The two characteristics most likely to be absent in LLCs are .................___.

a. limited liability and centralized management
b. centralized management and unlimited life
c. centralized management and the ability to transfer ownership interest without prior consent of the other owners
d. unlimited life and the ability to transfer ownership interest without prior consent of the other owners

17. Which of the following is an advantage of a corporation that is not an advantage as a limited partner in a partnership?

a. Limited liability.
b. Easy transfer of ownership position.
c. Double taxation.
d. All of the above are advantages that the corporation has over the limited partner.

18. Which of the following statements is correct for a sole proprietorship?

a. The sole proprietor has limited liability.
b. The sole proprietor can easily dispose of their ownership position relative to a shareholder in a corporation.
c. The sole proprietorship can be created more quickly than a corporation.
d. The owner of a sole proprietorship faces double taxation unlike the partners in a partnership.

19. What is potentially the biggest advantage of a small partnership over a sole proprietorship?

a. Unlimited liability.
b. Single tax filing.
c. Difficult ownership resale.
d. Raising capital.

20. In finance we refer to the market for relatively long-term financial instruments as the __________ market.
   a. money
   b. capital
   c. primary
   d. secondary

Answers for Self Assessment Questions
1. (a)  2.(c)  3.(b)  4.(b)  5.(a)  
6. (b)  7.(d)  8. (c)  9.(d)  10.(b)  
11.(c)  12.(a)  13.(a)  14.(d)  15. (c)  
16.(d)  17.(b)  18.(b)  19.(d)  20. (b)
Chapter-5: Processing of an Export Order

Self Assessment Questions

1. The first steps of capacity planning and control do not include:
   a. Identifying the alternative capacity plans?
   b. Choosing the most appropriate capacity plan?
   c. Measuring aggregate demand and capacity?
   d. Studying the effect of queueing theory

2. Which of the following alternative methods of responding to demand fluctuations is not appropriate:
   a. Adjust capacity to reflect the fluctuations through a chase demand plan?
   b. Ignore the fluctuations and apply a level capacity plan?
   c. Attempt to change demand to fit available capacity using demand management?
   d. Increase marketing activity and develop a chase demand plan?

3. Yield management is not especially useful where:
   a. The service cannot be sold in advance
   b. The market can be fairly clearly segmented
   c. The service/product can be stored
   d. Capacity is relatively fixed

4. Which of the following is not a measure of utilisation?
   a. Number of hours available for production
   b. Room occupancy level in hotels
   c. Uptime in a factory
   d. Load factor for aircraft

5. What is meant by yield management?
   a. The maximisation of profit through capacity, demand and pricing policies
   b. Expanding the operation at periods of high demand in order to yield more sales revenue
   c. Overbooking capacity to ensure that all capacity is filled at all times
d. Encouraging growth in demand during periods of low demand and restraining it during periods of high demand

6. The most favourable solution to non-uniform demand is probably to:
   a. Employ a mixed capacity management plan
   b. Use overtime or part-time workers
   c. Hire or lay off workers as required
   d. Build up sufficient inventory to meet heavy demand
   e. Always maintain excess capacity

7. Capacity is usually expressed in terms of:
   a. Potential output from an operations system
   b. Man-hours available without overtime
   c. A production forecast
   d. The design life of an operations process

8. The maximum output of a system in a given period is called:
   a. The master production schedule
   b. The breakeven point
   c. The economic order quantity
   d. The designed capacity

9. With a ‘chase demand’ strategy, which one of these statements is correct?
   a. Processes are buffered through inventory
   b. Throughput rates respond to changes in demand
   c. Outputs are stored until required
   d. Investment in plant and equipment will probably be low

10. With a ‘level capacity’ plan, which one of these statements is correct?
   a. Processes are buffered through inventory
   b. Processing capacity will vary according to demand
   c. Throughput rates respond to changes in demand
d. Outputs are stored until required

11. The efficiency of an Operations system is measured in terms of its:
   
   a. Effective capacity against scheduled throughput  
   b. Actual output against effective capacity  
   c. Actual output against designed capacity  
   d. Effective capacity against designed capacity

12. In an operating system, processes A / B / C have the following maximum designed capacity – A = 1600 units / B = 1550 units / C = 1800 units. If the actual measured output is 1400 units, what is the system efficiency?
   
   a. 75%  
   b. 85%  
   c. 95%  
   d. 90%

13. In an operating system, processes A / B / C have the following maximum designed capacity – A = 1700 units / B = 1650 units / C = 1800 units. If the actual measured output is 1400 units, what is the system efficiency?
   
   a. 95%  
   b. 90%  
   c. 85%  
   d. 75%

14. Super Computers Ltd. have 10 staff who spend 40 hours per day making a total of 140 computers. By redesigning their manufacturing process, they increase output to 160 per day. What is the increase in productivity?
   
   a. 12.50%  
   b. 14.29%  
   c. 20.0%  
   d. 8.26%
15. Expert Electronics Ltd. have 5 staff who spend 40 hours per day making 150 computers. By redesigning their manufacturing process, they increase output to 160 per day. What is the increase in productivity?

   a. 5.97%
   b. 7.77%
   c. 6.66%
   d. 4.34%

16. The following figures were reported at a management meeting for the kitchen facility of a restaurant – actual output was 62 hours, design capacity is 150 hours, and the effective capacity was 120 hours. What are respectively the kitchen facility’s utilisation and efficiency?

   a. 0.63 & 0.57
   b. 0.54 & 0.68
   c. 0.48 & 0.63
   d. 0.41 & 0.52

17. Measurement has revealed the following information on an operations system. Design capacity was 84 units per hour, planned losses were 12 units per hour, and actual output was 65 units per hour. What were the utilisation and efficiency of the operation respectively?

   a. 78% & 90%
   b. 77% & 84%
   c. 77% & 90%
   d. 54% & 92%

18. A loss in product distinctiveness is one of the limitations of the use of:

   a. Product positioning
   b. Product specific R&D
   c. Product platforms
   d. Portfolio planning

19. A firm’s capabilities can be enhanced through:

   a. Bringing together new partnerships
b. External acquisition  
c. Internal development  
d. All of the above

20. The concept of a product platform is applicable when:

a. A family of products require similar patents  
b. A family of products are promoted together  
c. All of the above  
d. A family of products shares similar technology

Answers for Self Assessment Questions

1. (d)  2. (d)  3. (c)  4. (a)  5. (a)  
6. (a)  7. (a)  8. (d)  9. (b)  10. (d)  
11. (b)  12. (d)  13. (c)  14. (b)  15. (c)  
16. (d)  17. (c)  18. (c)  19. (d)  20. (d)
Chapter-6: International Marketing Research

Self Assessment Questions

1. ........................................ is about matching market opportunities to the organization’s resources (what it can do) and objectives (what management wants to do).
   a. Marketing communications
   b. Market research
   c. Marketing strategy
   d. Market segmentation

2. NAFTA is a trade bloc between:
   a. Philippines, Indonesia and Thailand.
   b. Brazil, Argentina and Uruguay.
   c. United States, Canada, and Mexico.
   d. Austria, Belgium and Bulgaria.

3. The domestic market (home market) is the most important, with foreign markets not seen as representing a serious threat. This is referred to as a/an:
   a. ethnocentric approach.
   b. polycentric approach.
   c. regional approach.
   d. geocentric approach.

4. Based on European organizations classifications’, these organizations have a strong European base, but now operate in a range of different world markets, either through direct investment, joint venture, or on an exporting basis. This is referred to as:
   a. European-scale.
   b. regional-scale.
   c. world-scale.
   d. local-scale.
5. The 'process by which the experience of everyday life is becoming standardized around the world' through the free flow of four major components: goods and services, people, capital, and information is referred to as:
   a. regional development.
   b. globalization.
   c. domestic competitiveness.
   d. joint venture.

6. Which of the following is not the mission of WTO?
   a. Handle trade disputes between member countries.
   b. Monitor national trade policies.
   c. Provide a forum for trade negotiations.
   d. Sanction trade policy of member countries.

7. With a ...............a firm produces standardized products to be sold the same way all over the world.
   a. traditional marketing strategy
   b. standardized orientation approach
   c. product extension approach
   d. culturally-based marketing strategy

8. Starbucks uses the same green and black logo on its paper cups and sells the same concept all around the world. This is an example of:
   a. Combination market approach.
   b. Product extension approach.
   c. Standardization orientation approach.
   d. traditional marketing concept.

9. Standardization orientation approach:
   a. is becoming less popular with the large multinationals.
   b. encourages product, packaging, and advertising variations for each nation or local market.
   c. actually raises production costs.
d. operates on the belief that global culture is converging, or that the cultural differences are superficial.

10. Central to any society is a common set of values shared by its citizens that determine what is socially acceptable. Marketers refer to these values collectively as a country's:
   a. ethical system.
   b. culture.
   c. national personality.
   d. socialization.

11. When Ikea, the Swedish home furnishings retailer, first entered the Japanese market, it failed. It was more successful in its second try because it was aware of the need to adapt its furnishings to fit the smaller Japanese homes. The ............... environment had the greatest influence on Ikea's first failure in Japan.
   a. demographic
   b. economic
   c. cultural
   d. technological

12. Muslim countries are receptive to most Disney products but Disney has been asked when it sells its Winnie the Pooh characters to not sell Piglet because Muslims (as a part of their religious beliefs) contend that pork in any form is unclean. This is an example of a ............... factor that directly affects Disney's global operation.
   a. political structure
   b. cultural
   c. technological
   d. competitive

13. Which of the following is an important cultural factor that should be considered by marketers seeking international development?
   a. Competitive synergy.
   b. Language.
   c. Natural resources.
14. For four years, Google censored search results, in the hope of becoming the number one search engine in China. As a foreign organization Google was expected to operate under the laws of the country, China. This is a good example of a/an:

a. cultural factor.
b. economic factor.
c. technological factor.
d. political-legal factor.

15. A/an ............... is a limit on the amount of a specific product that can enter a country.

a. quota  
b. tariff  
c. exchange control  
d. boycott

16. Which method of entering the global marketplace involves the manufacturing firm itself distributing its product offering to foreign markets, direct to customers?

a. Indirect exporting.  
b. Licensing.  
c. Joint ventures.  
d. Direct exporting.

17. KFC has some 15,000-plus KFC restaurants in over 109 countries world wide and more than 2,870 KFC restaurants in more than 650 cities in China alone. Which method of entering the global marketplace does KFC use?

a. Export buyer.  
b. License agent.  
c. Import agent.  
d. Franchising.
18. Disney sells the rights for an investment company to run a Disneyland theme park in Tokyo. The investment company gains most of the profits from the enterprise while paying Disney a percentage in royalties. This is an example of:

a. a joint venture.
b. exporting.
c. licensing.
d. capital-intensive manufacturing.

19. .......... are situations in which the domestic firm assumes an equity position (partial ownership) in a foreign firm to manufacture and/or market the domestic company's goods.

a. Direct investment
b. Joint ventures
c. Demographics groups
d. Franchise relationships

20. .................................. involves some form of manufacture or production in the foreign or host country.

a. Market grouping
b. Import broker
c. A licensee
d. A direct investment

Answers for Self Assessment Questions
1. (c) 2.(c) 3.(a) 4.(c) 5.(b)
6. (d) 7.(b) 8. (c) 9.(d) 10.(b)
11.(c) 12.(b) 13.(b) 14.(d) 15. (a)
16.(d) 17.(d) 18.(c) 19.(b) 20. (d)
Chapter-7: Operational Plan

Self Assessment Questions

1. With respect to global marketing management, the catch phrase of the 1990s was:
   a. "standardization versus globalization."
   b. "globalization versus localization."
   c. "global integration versus local responsiveness."
   d. "communication versus Internet relationships."

2. From the marketing perspective, ...................... is always best.
   a. responsiveness
   b. fairness
   c. communication
   d. customization

3. Nestlé is used as an example in the text to demonstrate how major corporations are moving in a true international (global) direction. All of the following would be considered to be part of Nestlé’s international strategy EXCEPT:
   a. decentralize.
   b. stick to what you know.
   c. adapt to local tastes.
   d. customize all products and abandon any mass production strategy.

4. All of the following are considered to be benefits of global marketing EXCEPT:
   a. global diversity of marketing talent.
   b. gaining access to the toughest customers.
   c. financial benefits by spreading the corporate portfolio.
   d. All of the above are benefits.

5. The Cybex Corporation is attempting to develop long-term generalized goals for the enterprise as a whole. Which of the following forms of planning is Cybex using?
   a. corporate planning
   b. strategic planning
c. tactical planning
d. functional planning

6. .................... is conducted at the highest levels of management and deals with products, capital, and research, and long- and short-term goals of the company.
   a. Organizational planning
   b. Global planning
   c. Tactical planning
   d. Strategic planning

7. Global Toys Company is making marketing and advertising plans for specific local markets within its international portfolio. Which of the following planning forms is Global Toys using?
   a. corporate planning
   b. strategic planning
   c. tactical planning
   d. organizational planning

8. In which of the following phases of the international planning process would you expect to explore home-country constraints such as the political environment?
   a. Phase 1-preliminary analysis and screening where company/country needs are matched
   b. Phase 2-adapting the marketing mix to target markets
   c. Phase 3-developing the marketing plan
   d. Phase 4-implementation and control

9. The Caliber Corporation is at the stage of international planning where specific budgets need to be devised for its various markets and plans. In which stage of the international planning process would you expect to see these activities?
   a. Phase 1-preliminary analysis and screening where company/country needs are matched
   b. Phase 2-adapting the marketing mix to target markets
   c. Phase 3-developing the marketing plan
10. The production manager for Aziz Nuts is measuring a recent production run against company standards for quality and consistency before the shipment is released to several international customers. In which stage of the international planning process would you expect these activities to occur?

a. Phase 1-preliminary analysis and screening where company/country needs are matched
b. Phase 2-adapting the marketing mix to target markets
c. Phase 3-developing the marketing plan
d. Phase 4-implementation and control

11. The Blue Flame Company (a company that sells small gas heaters) has just sold 5,000 heaters to a buyer in Northern Africa. Which of the following market entry modes has Blue Flame engaged in?

a. direct exporting
b. indirect exporting
c. licensing
d. joint venturing

12. Caliente Computers (a Mexican computer manufacturer) has just given an American company the right to build and sell computers carrying the Caliente name as long as the American company meets and upholds Caliente’s standards. Which of the following market entry modes has Caliente Computers engaged in?

a. direct exporting
b. indirect exporting
c. licensing
d. joint venturing

13. Which of the following market entry modes is primarily a partnership between two (or more) international companies where the result is a new legal entity?

a. direct exporting
b. indirect exporting
14. Rigor Weight Machines company has decided to manufacture its machines in Canada so it will not have to pay the rather high Canadian taxes on foreign goods. Which of the following market entry modes has Rigor Weight Machines chosen to enter the Canadian market?

a. indirect exporting  
b. licensing  
c. joint venturing  
d. direct investment  

15. Which of the following organizational forms is characterized as being one where a centralized sales and marketing staff is run by a centralized functional staff? This form is popular with companies that reorganize for global competition. This form often overcome the difficulties of the other formats.

a. geographical divisions responsible for all products & functions within a given geographical area  
b. a matrix organization  
c. a symmetrical organization  
d. a pyramid organization  

16. .................. is the task of developing and maintaining an overall company strategy for long-run survival and growth.

a. Advertising  
b. Strategic planning  
c. Short-term planning  
d. Annual market planning  

17. Caffe Nero has an annual plan in place to deal with the company’s current SBUs and their operations. However, as a growth-oriented firm, Caffe Nero is interested in both domestic and international markets. This requires Caffe Nero to constantly monitor the environment and adapt to the opportunities with which it is presented. To take advantage of its constantly changing environment, Caffe Nero needs a ................. in place.
a. value-delivery network  
b. mission statement  
c. strategic plan  
d. supporting objectives

18. Which of the following is not a step in the strategic planning process?  
   a. planning marketing and other functional strategies  
   b. collaborating with suppliers on multiple fronts  
   c. defining the company mission  
   d. setting company objectives and goals

19. Which of the following provides an answer to these questions: What is our business? Who are our customers? What do our customers value? What should our business be?  
   a. mission statement  
   b. objectives and goals  
   c. marketing and functional strategies  
   d. operational strategies

20. .................. should be market oriented and defined in terms of ..................  
   a. Strategic plans; company needs  
   b. Long-range plans; company needs  
   c. Mission statements; customer needs  
   d. Annual plans; product needs

Answers for Self Assessment Questions

1. (c)  2. (d)  3. (d)  4. (d)  5. (a)  
6. (d)  7. (c)  8. (a)  9. (c)  10. (d)  
11. (a)  12. (c)  13. (d)  14. (d)  15. (b)  
16. (b)  17. (c)  18. (b)  19. (a)  20. (c)
Chapter-8: Operational Plan

Self Assessment Questions

1. Any paid form of nonpersonal presentation and promotion of ideas, goods, or services by an identified sponsor is called ........................
   a. sales promotion
   b. advertising
   c. public relations
   d. direct marketing

2. Which of the following is not an aspect of the promotion mix?
   a. public relations
   b. sales promotions
   c. advertising
   d. strategic positioning

3. Companies are doing less ........................ and more ..................... as a result of an explosion of more focused media that better match today’s targeting strategies.
   a. media; sales
   b. marketing; media
   c. advertising; word-of-mouth
   d. broadcasting; narrowcasting

4. All of the following are reasons that marketers are losing confidence in television advertising except ....................
   a. audience size is on the decline
   b. television offers a high cost per exposure
   c. younger consumers are using different media
   d. many viewers are using video on demand and TiVo-like systems

5. Advertising, sales promotion, personal selling, public relations, and direct marketing are all .....................
a. promotional tools adapted for use in mass marketing
b. promotional tools used for pull strategies but not push strategies
c. communications channels focused more on narrowcasting than broadcasting
d. communications channels that should be integrated under the concept of integrated marketing communications.

6. Sales promotions are primarily used to increase sales levels in the:
   a. short term
   b. long term
   c. medium term

7. Sales promotion is a promotional tool regarded as:
   a. around-the-line
   b. above-the-line
   c. below-the-line
   d. through-the-line

8. The credibility of a sales promotion event is usually:
   a. of no consequence
   b. low
   c. medium
   d. high

9. Of the following reasons, which is not a reason to use sales promotion?
   a. To reach new customers
   b. To develop brand image
   c. To assist integration
   d. To reward behaviour

10. Which of the following is NOT considered to be an objective associated with the use of sales promotions?
    a. Prompt buyers into trial purchase
b. Change buyer attitudes
c. Increase volume of individual purchases

11. Sales promotions are thought to make consumer purchase decisions:
   a. simpler
   b. more satisfying
   c. less satisfying
   d. more complex

12. If there is low involvement and the product/market is established then sales promotions should be used for:
   a. all to block out the competition
   b. loyals to increase loyalty
   c. loyals to encourage trial
   d. loyals to reward and increase usage

13. Levels of customer loyalty can be determined by attitudinal surveys.
   a. True
   b. False

14. Sales promotions can encourage people to purchase outside their usual repertoire.
   a. True
   b. False

15. Research suggests that the costs of sales promotions:
   a. are easily recouped
   b. are negligible
   c. outweigh any benefits
   d. are enormous

16. TPR stands for:
a. top promotional return  
b. temporary price reduction  
c. the promotion rate  

17. The main reason for manufacturers to use sales promotions when launching new products is to:
a. encourage trial  
b. increase sales  
c. establish distribution  
d. develop loyalty  

18. Which of the following is most important to resellers?
a. Store loyalty  
b. Brand loyalty  

19. 'Count and recount' allowances give resellers discount on:
a. stock bought in during the promotion period  
b. stock sold during the promotion period  
c. stock returned after the promotion period  

20. Which of these is not a sales promotion technique?
a. Questionnaire  
b. Coupon  
c. Bonus pack  
d. Loyalty card  

**Answers for Self Assessment Questions**
1. (b)  
2. (d)  
3. (d)  
4. (b)  
5. (d)  
6. (a)  
7. (c)  
8. (b)  
9. (b)  
10. (b)  
11. (a)  
12. (d)  
13. (b)  
14. (b)  
15. (c)
16.(b)  17.(c)  18.(a)  19.(b)  20. (a)
Chapter-9: Distribution

Self Assessment Questions

1. ................................exists when a product marketer also operates their own retail outlets.
   a. Direct Marketing Systems
   b. Direct Retail Systems
   c. Personal Selling Systems
   d. Assisted Marketing Systems

2. ........................., custom, or inertia are the factors which determine whether services are concentrated or dispersed.
   a. Supply
   b. Demand
   c. Both
   d. None of these.

3. Tactical decisions include logistics systems design and the acquisition of costly resources
   a. True
   b. False

4. The goal of customer service is customer satisfaction.
   a. True
   b. False

5. Good customer service rests on three pillars: the right employees, sound practices, and...............................
   a. Training
   b. Service
   c. Feedback
   d. None of these.

6. .........................deals with the planning and control of material flows and related information in organizations, both in the public and private sectors
   a. Production Management
   b. Inventory
   c. Logistics
   d. None of these.
7. Warehousing is a traditional approach in which goods are received by warehouses and stored in tanks, pallet racks or on shelves.
   a. True
   b. False

8. Air transportation is competitive for short and medium haul shipments
   a. True
   b. False

9. A .................................. is a transhipment facility in which incoming shipments are sorted, consolidated with other products and transferred directly to outgoing trailers without intermediate storage or order picking.
   a. Cross dock
   b. Warehousing
   c. Direct shipment
   d. None of these.

10. When the finished product arrives in the warehouse, the ......................... department determines the most efficient method to ship the products so that they are delivered on or before the date specified by the customer.
    a. production
    b. transportation
    c. inventory
    d. purchasing

11. Caterpillar (famous for earth moving equipment) has a powerful partnership with its dealers. Which of the following is one of the basic principles upon which this successful partnership is built?
    a. the Internet
    b. advertising
    c. dealer profitability
    d. global networks

12. Most producers use ................................ to bring their products to market.
    a. detailers
    b. intermediaries
13. A set of interdependent organizations involved in the process of making a product or service available for use or consumption by the consumer or business user is called a:
   a. retailer.
   b. wholesaler.
   c. distribution channel.
   d. logistics function.

14. A set of interdependent organizations involved in the process of making a product or service available for use or consumption by the consumer or business user.
   a. retailer
   b. wholesaler
   c. distribution channel
   d. middleman

15. Through their contacts, experience, specialization, and scale of operation, ........................................... usually offer the firm more than it can achieve on its own.
   a. manufacturers
   b. producers
   c. direct marketers
   d. intermediaries

16. From the economic system’s point of view, the role of marketing intermediaries is to transform:
   a. raw products into finished products.
   b. consumer needs into producer needs.
   c. consumer needs and wants into product desires.
   d. assortments of products made by producers into the assortments wanted by consumers.
17. Which of the following problems do intermediaries attempt to solve within the distribution channel?
   a. the need for a legal buffer between producer and consumer
   b. the need to ensure a profit for the producer
   c. the need to resolve the producer’s desire to make narrow assortments in large quantities against the consumer’s need for broad assortments in small quantities
   d. the need for a manufacturer to be able to sell goods without having a final responsibility for their usefulness

18. A distribution channel moves goods and services from producers to consumers. It overcomes the major time, place, and _ gaps that separate goods and services from those who would use them.
   a. possession
   b. profit
   c. image
   d. psychological

19. Members of the marketing channel perform many key functions. Which of the following would be among those key functions?
   a. negotiation
   b. sensing
   c. producing
   d. creating

20. Shaping and fitting the offer to the buyer’s needs, including activities such as manufacturing, grading, assembling, and packaging, describes which of the following key functions performed by members of the marketing channel?
   a. information
   b. promotion
   c. contact
   d. matching

Answers for Self Assessment Questions
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Chapter-10: E-Marketing

Self Assessment Questions

1. E-marketing provides large and small businesses access to a huge market of over two billion users at affordable prices
   (a) True  (b) False

2. Internet marketing also called as ..............that means it is the best service of promoting your products over the Internet.
   a. marketing  
   b. online-marketing  
   c. E-commerce marketing  
   d. None of these

3. The Internet marketing strategic plan used by most successful online businesses has already been proven to be effective.
   (a) True  (b) False

4. .............is also customized for returning visitors, making repeat purchases easier.
   a. Sale process  
   b. Buying process  
   c. Marketing  
   d. None of these

5. E-marketing is best seen as:
   a. the same as e-commerce  
   b. equivalent to e-business  
   c. broader than e-business  
   d. a subset of e-business

6. Market is basically your current consumers and your potential clients in certain area.
   (a) True  (b) False

7. The e–marketing plan has:
   a. the same objectives as the marketing plan
b. the same objectives as the e-business plan  
c. the same objectives as the corporate plan  
d. objectives which support the objectives of other organizational plans

8. Which is not one of the elements of a company’s external micro-environment that need to be assessed during situation analysis for e-marketing?

   a. Intermediary analysis  
   b. Competitor analysis  
   c. Demand analysis  
   d. Supplier analysis

9. Assessing the demand for digital services (the online revenue contribution) is an example of:

   a. satisfying customer requirements.  
   b. identifying customer requirements.  
   c. anticipating customer requirements.  
   d. none of the above.

10. Internet is very important tool in marketing.

       (a) True  
       (b) False

11. The main outcome that is required from the owner of a site offering laser eye treatment.

       a. Connect audience with relevant content.  
       b. Increase engagement with audience.  
       c. Achieve a sale.  
       d. Generate potential sales leads which are likely to be converted offline.

12. Internet Marketing is actually a mixture of values, along with the successful and useful allotment of content.

       (a) True  
       (b) False

13. E-pricing can also easily reward loyal customers.

       (a) True  
       (b) False

14. Marketing is the management process responsible for __________, anticipating and satisfying customer requirements profitably.

       a. supplying  
       b. researching  
       c. listening
d. identifying

15. The _______________ customer concern from the 4Cs is equivalent to the Price element of the marketing mix.
   a. cost
   b. communications techniques
   c. convenience
   d. needs and wants

16. The direct online contribution effectiveness refers to:
   a. the reach of audience volume of a site.
   b. the proportion of sales influenced by the website.
   c. the proportion of business turnover achieved by e-commerce transactions.
   d. both the first and third answers above.

17. Which is NOT one of the elements of a company’s external micro-environment that need to be assessed during situation analysis for e-marketing?
   a. Intermediary analysis.
   b. Competitor analysis.
   c. Demand analysis.
   d. Supplier analysis.

18. E-commerce was stunted by security fears, but improved technology has made millions of people worldwide feel comfortable buying online.
   (a) True  (b) False

19. A challenge of managing the online marketing mix that most closely relates to the satisfying behavior when selecting products is:
   a. Product.
   b. Place.
   c. Promotion.
   d. Price.

20. A challenge of managing the online marketing mix that most closely relates to endorsement, awards and accreditation is:
   a. Promotion.
   b. Price.
   c. Place.
   d. Product.
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