



# Dr.G.R.Damodaran College of Science

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I MIB [2017-2019]

SEMESTER I

CORE: GLOBAL BUSINESS ENVIRONMENT - 153A

Multiple Choice Questions.

1. Branches of international business do not include

- A. International trade.
- B. Foreign direct investment.
- C. Foreign portfolio investment.
- D. Multinational business.

ANSWER: C

2. Business across several countries with some decentralization of management decision making to subsidiaries is

- A. global business.
- B. multinational business.
- C. transnational business.
- D. multi-regional business.

ANSWER: B

3. Land as a factor of production is immobile

- A. within the region.
- B. between the countries.
- C. within the nation.
- D. in all cases.

ANSWER: D

4. Immobility of labour among nations is

- A. absolute
- B. relatively of a higher degree than among regions in the same country.
- C. relatively easier than movement within the country.
- D. of the same degree as within the country.

ANSWER: B

5. Uneven distribution of natural resources

- A. is the only cause for international business.
- B. is the major factor for international business.
- C. is among the major factors for international business.
- D. is not a cause for international business.

ANSWER: C

6. The following factor does not differentiate international business from domestic business
- A. different currencies.
  - B. product quality.
  - C. product mobility.
  - D. trade policies.

ANSWER: B

7. Free international trade maximizes world output through
- A. countries specializing in production of goods they are best suited for.
  - B. reduction in taxes.
  - C. increased factor income.
  - D. encouraging competition.

ANSWER: A

8. International business does not result in the following
- A. innovation is encouraged.
  - B. international cooperation is encouraged.
  - C. imports are rendered cheap.
  - D. consumption is minimized.

ANSWER: D

9. By entering into international business, a firm expects improvement in
- A. Marketing.
  - B. All spheres of marketing, operation and finance simultaneously.
  - C. Any or all spheres of marketing, operation and finance.
  - D. Finance only.

ANSWER: C

10. By having business in different countries, a firm reduces
- A. credit risk.
  - B. political risk.
  - C. financial risk.
  - D. business risk.

ANSWER: B

11. Wholly owned subsidiary can be set up
- A. as a Greenfield venture.
  - B. to acquire an existing firm.
  - C. to have products marketed overseas.
  - D. to have management is overseas.

ANSWER: A

12. The essential feature of FDI is
- A. Investment of a very high value.
  - B. Investment in shares.
  - C. Investors influence on the management of the enterprise.

D. Investment of low value.

ANSWER: C

13. No new investment in the host country is created in the case of

- A. Greenfield FDI.
- B. Acquisition.
- C. Horizontal FDI.
- D. Vertical FDI.

ANSWER: B

14. A firm investing in a foreign country to distribute the products there in creation of

- A. Asset seeking FDI.
- B. Backward vertical FDI.
- C. Forward vertical FDI.
- D. Distribution FDI.

ANSWER: C

15. The disadvantages of Greenfield FDI as compared to acquisition is

- A. Profit will be less.
- B. Size of investment will be high.
- C. Lesser control in management.
- D. Delay in establishment.

ANSWER: D

16. Countries/ regions with huge market size will attract

- A. Market seeking FDI.
- B. Efficiency seeking FDI.
- C. Vertical FDI.
- D. Created assets seeking FDI.

ANSWER: A

17. The following statement with respect to culture is false

- A. Culture is enduring.
- B. Culture is changing.
- C. Culture is evolved among the members of a society.
- D. Culture is determined by national boundaries.

ANSWER: D

18. The following is not a component of culture

- A. Attitudes.
- B. Beliefs.
- C. Education.
- D. Life expectancy.

ANSWER: D

19. Non-verbal communication

- A. includes written communication.
- B. has no place in international business.

- C. includes body language.
- D. should be learnt by business managers to communicate with foreigners.

ANSWER: C

20. Religion of a person affects his/her

- A. attitude towards entrepreneurship.
- B. gifting practices.
- C. use of products.
- D. all of the above.

ANSWER: D

21. For the society, religion has no influence on

- A. holidays
- B. language
- C. role of women.
- D. marketing practices.

ANSWER: B

22. The role of women is restricted in

- A. Eastern countries.
- B. Middle East countries.
- C. Traditional Islamic countries.
- D. India.

ANSWER: C

23. The following nationals would be aggressive at the beginning of business negotiations, but offer large concessions in the end

- A. American.
- B. Russian.
- C. German.
- D. Japanese.

ANSWER: B

24. Social mobility is measured by

- A. The extent to which an individual can move the strata to which he/she belongs.
- B. The promptness with which an individual accepts foreign assignments.
- C. The extent to which inter- caste marriage is encouraged by the society.
- D. The extent to which the society as a whole shifts its habitat.

ANSWER: A

25. Lower power distance countries are characterized by

- A. relationships based on equality and informality.
- B. authority being accepted without question.
- C. managers being paternalistic.
- D. tall organizations structure.

ANSWER: A

26. A country with high uncertainty avoidance will witness

- A. lower level of stress among people.
- B. decision taken as a result of group consensus.
- C. less dependence on rules and regulations.
- D. people are serene.

ANSWER: B

27. As per cultural dimensions of Hofstede, masculinity refers to

- A. Male- female ratio in the country.
- B. Society dominated by male members.
- C. Society characterized by aggressive and materialistic behaviour.
- D. War- ridden societies.

ANSWER: C

28. According to economic growth model of Rostow, passage of a country through the stages is

- A. in the order specified.
- B. in any order.
- C. in the order specified, but certain stages may be skipped.
- D. automatic.

ANSWER: A

29. A country in the stage of traditional society is characterized by

- A. non existence of industries.
- B. predominance of agriculture.
- C. existence of traditional rule.
- D. complete absence of literacy.

ANSWER: B

30. The stage indicating highest level of economic growth is

- A. age of mass consumption.
- B. age of mass production.
- C. maturity.
- D. drive to maturity.

ANSWER: A

31. The income level of residents in a country is indicated by

- A. gross national income.
- B. gross domestic product.
- C. per capita gross national income.
- D. per capita gross domestic product.

ANSWER: C

32. In a business cycle, the phase preceding prosperity is

- A. recession.
- B. depression.
- C. recovery.
- D. recession or depression.

ANSWER: C

33. Monetary policy relates to controlling
- A. money supply.
  - B. money supply and interest rate.
  - C. money supply, interest rate and exchange rate.
  - D. credit creation by banks.

ANSWER: C

34. Analysing the business environment best assists in
- A. Identifying key competitive forces; identifying competitive position; identifying key opportunities, threats, strengths and weaknesses.
  - B. Auditing macro environmental influences; identifying key competitive forces; identifying competitive position; identifying key opportunities and threats.
  - C. Auditing external and organisational factors; identifying key competitive forces; identifying competitive position; identifying key opportunities and threats.
  - D. Assessing historical trends; auditing environmental dangers; identifying strategic capabilities; identifying competitive position.

ANSWER: B

35. In relation to the PESTEL framework, which of the following statements is correct?
- A. It assists in the assessment of organisational strengths and weaknesses.
  - B. It allows a detailed analysis of the structure of an industry
  - C. It can be used as a checklist to understand the different environmental influences in the macro environment.
  - D. Takes an historical perspective on the main political, economic, sociocultural, technological, environmental and legal factors.

ANSWER: C

36. Scenarios are used to
- A. Develop a long term view of strategy.
  - B. Build plausible views of different possible futures and develop a long term view of strategy.
  - C. Identify key drivers of change.
  - D. d. Develop a view of an environment which has a high degree of uncertainty, build plausible views of different possible futures and take a long term view of strategy.

ANSWER: D

37. Porter suggests the following reasons for one nation being more competitive than another
- A. Ability to speak English; developed network of supporting industries; absence of competition; and low labour cost.
  - B. Abundant natural resources; skilled labour force; temperate climate; and democracy.
  - C. Factor conditions; demand conditions; related and supporting industries; and firm strategy, industry strategy and rivalry.
  - D. Strong sporting ethos; emphasis on individual achievement; strong national party in power; large home market.

ANSWER: C

38. 43. Which of the following statements in relation to the Five Forces framework is correct?
- A. The framework assists in developing a broad perspective on the environment within which an organisation is operating.

- B. It is not appropriate in public sector management.
  - C. The framework is a means of identifying the forces which affect the level of competition in an industry or sector.
  - D. The framework identifies the major stakeholders of an organisation.
- ANSWER: C

39. In the Five Forces framework the term threat of entrants means
- A. The possibility of an existing competitor capturing the entire market.
  - B. The possibility of an existing competitor withdrawing from the market.
  - C. The possibility of a new competitor entering the market.
  - D. The possibility of a potential competitor entering a different market.
- ANSWER: C

40. Which of the following could be effective in preventing a potential competitor from entering the market?
- A. High capital costs.
  - B. Differentiation.
  - C. Retaliation.
  - D. Low switching costs for buyers.
- ANSWER: A

41. The threat of substitutes may be high if
- A. Switching costs are of concern to the customer.
  - B. The substitute product provides a higher perceived value or benefit.
  - C. The substitute product does not provide enhanced functionality, reduced cost and better quality.
  - D. Customers have strong existing brand loyalty.
- ANSWER: B

42. Buyers can exercise high bargaining power over their suppliers if
- A. The volume they buy accounts for a large percentage of their suppliers sales.
  - B. There are few buyers in the market.
  - C. They have many suppliers to choose from.
  - D. There is a high concentration of suppliers.
- ANSWER: A

43. Strategic Groups are
- A. A group of companies competing in the same industry.
  - B. b. Organisations in the same industry with similar characteristics and following similar strategies.
  - C. Strategic Business Units (SBUs).
  - D. Organisations following similar strategies.
- ANSWER: B

44. Market segmentation aims to
- A. Identify the similarities and differences between groups of customers or users.
  - B. Identify the similarities between groups of customers or users.
  - C. Identify the differences between organisations and their competitors.

D. Identify the needs and wants of all customers or users.

ANSWER: A

45. What are the bases of market segmentation?

A. The business environment; the attractiveness of the market; the purchase/use situation.

B. The strength of the competitors; the attractiveness of the market; the organisational structure.

C. Strategic capabilities; organisational structure; organisational culture.

D. The characteristics of the people/organisations; the purchase/use situation; users' needs and preferences for product characteristics.

ANSWER: D

46. PEST is an acronym which stands for

A. duct, Economy, Society, Technology.

B. Political, Economic, Societal, Technological.

C. Political, Economic, Social, Technological.

D. People, Economy, Standards, Transport.

ANSWER: C

47. Which of the following is not a major reactive motif for initiating export?

A. proximity to international customers/psychological distance.

B. Competitive pressures.

C. Foreign market opportunities/market information.

D. Unsolicited foreign orders.

ANSWER: C

48. One of the following does not represent a general market risk in the internationalization process

A. petition from other organizations in foreign markets.

B. lack of tax incentives for organizations that export.

C. language and cultural differences.

D. complexity of shipping services to overseas buyers.

ANSWER: A

49. The following represent major reactive motives for initiating export

A. ended sales of seasonal products.

B. competitive pressures.

C. overproduction/excess capacity and unsolicited foreign orders.

D. all of the above.

ANSWER: D

50. In which way do Japanese firms typically exploit foreign market opportunities?

A. using perceived-value pricing strategies.

B. By using psychological pricing strategies.

C. By using penetration pricing strategies.

D. Through mass communication where their strengths in technological innovation are emphasized.

ANSWER: C

51. According to the World Bank classification which of the following is not a high income

economy?

- A. Qatar.
- B. Romania.
- C. Austria.
- D. Canada.

ANSWER: B

52. Which is the largest country within the EU by size of the population?

- A. Poland.
- B. Germany.
- C. United Kingdom.
- D. France.

ANSWER: B

53. Which of the following is not a common form of tariffs?

- A. Advalorem.
- B. discriminatory.
- C. specific.
- D. quota.

ANSWER: B

54. A quick method that can help international marketers compare relative value of currencies is to check the price of a

- A. Coke.
- B. litre of petrol.
- C. Snickers bar.
- D. Big Mac.

ANSWER: D

55. An increase in the general level of prices, as measured against some baseline of purchasing power is also known as

- A. inflation.
- B. recession.
- C. deflation.
- D. depression.

ANSWER: A

56. The European Union is an example of

- A. monetary union.
- B. free trade area.
- C. common market.
- D. economic union.

ANSWER: D

57. The economic System whereby the state holds broad powers to serve the public interest, it decides what goods and services are produced and in what quantities and demand typically exceeds supply is

- A. Market socialism.

- B. Market capitalism.
- C. Centrally- planned socialism.
- D. Centrally- planned capitalism.

ANSWER: C

58. Islamic Law is a comprehensive code based in part on

- A. Roman Law and the Napoleonic Law.
- B. Anglo-Saxon common law.
- C. EU law.
- D. the Koran.

ANSWER: D

59. The following are examples of political risk actions

- A. local-content laws and exchange controls.
- B. import and labour restrictions.
- C. price and tax controls.
- D. all of the above.

ANSWER: D

60. Which of the following options contains the correct order from the lowest to highest level of economic integration?

- A. from economic area to customs union to common market to free trade area.
- B. from customs union to economic union to free trade area to common market.
- C. from free trade area to customs union to common market to economic union.
- D. from common market to free trade area to economic union to customs union.

ANSWER: D

61. Among the factors that affect the balance of trade figures are

- A. exchange rates, taxes, tariffs and trade measures.
- B. the business cycle at home or abroad.
- C. trade barriers and agreements.
- D. non tariff barriers.

ANSWER: A

62. The right of a citizen to freedom of expression and option is preserved in

- A. representative democracy only.
- B. all democracies.
- C. direct democracy only.
- D. democracy as well as totalitarianism.

ANSWER: B

63. Export control refers to restrictions on

- A. Domestic firms from engaging in exports.
- B. Items that can be exported from the country.
- C. Foreign countries exporting to the country.
- D. Domestic firms engaging in trade with nation.

ANSWER: B

64. Indirect regulations affecting international business does not include

- A. Export licensing.
- B. Antiboycott regulations.
- C. Anti trust laws.
- D. Anti corruption laws.

ANSWER: A

65. Transfer of assets of a foreign firm to a domestic firm effected by the government with payment of compensation is

- A. Expropriation.
- B. Appropriation.
- C. Confiscation.
- D. Domestication.

ANSWER: A

66. The operating risk in the host country does not include the risk of

- A. Change in government policies.
- B. Exchange control.
- C. Price controls.
- D. Sanctions.

ANSWER: D

67. The political risk faced by a firm cannot be managed by

- A. following ethical business practices.
- B. partnership with local firms.
- C. insurance.
- D. none of the above.

ANSWER: D

68. The legal system in India is based on

- A. Common law.
- B. Civil law.
- C. Theocratic law.
- D. Hindu law.

ANSWER: D

69. Judgments are based on detailed codes, rather than precedents under

- A. Common law.
- B. Civil law.
- C. Theocratic law.
- D. English law.

ANSWER: B

70. The following statement relating to civil law is true

- A. The role of judges to interpret the law.
- B. The role of judges to apply the law.
- C. It is based on established practiced.
- D. It is not applicable to criminal cases.

ANSWER: B

71. In international business cheaper alternatives to litigation is/ are

- A. Conciliation.
- B. Arbitration
- C. Negotiations
- D. Conciliation and arbitration.

ANSWER: D

72. A contract drafted under civil law differs from that drafted under common law in the following respect

- A. It will be detailed.
- B. It will be shorter and less specific.
- C. It will provide less severe damages.
- D. It will be in detail.

ANSWER: B

73. Ownership of intellectual property is recognized in law by granting

- A. Licenses.
- B. Patents.
- C. Copyrights.
- D. Patent, copyright or trademark as appropriate.

ANSWER: D

74. Product liability law relate to

- A. Holding the manufacturer responsible for the damages caused to the genuine user of the product.
- B. Liability of the customer for illegitimate use of the product.
- C. Liability of the seller for selling spurious goods.
- D. Holding the manufacturer for advertising the false information.

ANSWER: A

75. The objectives of import duty is/are

- A. To raise income for the government.
- B. To restrict imports.
- C. To encourage exports.
- D. To raise income and restrict imports.

ANSWER: D

76. Import tariff benefits

- A. the consumers.
- B. domestic producers.
- C. overseas suppliers.
- D. the overseas producers.

ANSWER: B

77. Non- tariff trade barriers do not include

- A. administrative regulations.

- B. export subsidiaries.
- C. fiscal barriers.
- D. quota

ANSWER: B

78. Globalisation of markets has brought about economies of

- A. scale in production.
- B. distribution and marketing.
- C. management.
- D. all business operations.

ANSWER: D

79. Outsourcing of components is an example of globalisation of

- A. Production.
- B. Marketing.
- C. Purchase.
- D. Production and marketing.

ANSWER: A

80. The following benefit is not expected from globalisation

- A. Reaping the benefits of free trade.
- B. Better quality of life through choice of product.
- C. Better knowledge through compulsory education.
- D. Dissemination of information through new information technology.

ANSWER: C

81. Computer programs are protected as

- A. Copy rights.
- B. Trademarks.
- C. Patents
- D. Industrial design.

ANSWER: A

82. Geographical indications specifies

- A. Place of origin of goods.
- B. Special characteristics of the product associated with place of origin.
- C. Place and special characters of the product.
- D. Place or special characters of the product.

ANSWER: C

83. In India, the patent available for pharmaceuticals is

- A. for product only.
- B. for process only.
- C. both for product and process
- D. neither product nor process.

ANSWER: C

84. Which one of the following is true of the Chinese?

- A. They pay close attention to long standing relationships.
- B. They are very relaxed about time' and 'they prefer to work on a one-to-one basis' only
- C. They are very relaxed about time.
- D. They prefer to work on a one-to-one basis.

ANSWER: B

85. Which of the following sentences about individualism is not true?

- A. Individualistic are universalistic cultures while collectivistic cultures are articularistic.
- B. Individualists tend to see brands as unique human personalities.
- C. In individualistic cultures private time and work are not strictly separated.
- D. Individualism is increasing world-wide because it is associated with wealth.

ANSWER: B

86. Which of the following is not true about high- context cultures?

- A. lawyers are less important.
- B. Negotiations are lengthy.
- C. People make a big deal out of private space.
- D. Competitive bidding is less important.

ANSWER: C

87. Confucianism has adherents mainly in

- A. Eastern Europe.
- B. The USA.
- C. China, Korea and Japan.
- D. Africa.

ANSWER: C

88. Which of the following is not true about high- context cultures?

- A. lawyers are less important.
- B. Negotiations are lengthy.
- C. People make a big deal out of private space.
- D. Competitive bidding is less important.

ANSWER: C

89. Which of the following is not an element of culture?

- A. Tax law.
- B. Language.
- C. Traditions.
- D. Art.

ANSWER: B

90. To assess the potential of international markets, organizations generally compare nations with respect to

- A. political regime.
- B. demographics, GNP/capita and 'consumer preferences'.
- C. consumer preferences.
- D. demographics, GNP/capita.

ANSWER: B

91. The cultural environment of a country is best defined by which characteristics?

- A. Degree of nationalism and economic community membership.
- B. Production process and standards of measurement.
- C. Standard of living and stage of economic development.
- D. Values, attitudes, heroes, myths and symbols.

ANSWER: D

92. Income and population are two variables that can be used

- A. demographic segmentation.
- B. Behavioural segmentation.
- C. Lifestyle segmentation.
- D. Psychographic segmentation.

ANSWER: A

93. Strong exchange rates can

- A. help predict change in lifestyle across Europe.
- B. predict the evolution of sales for particular brands.
- C. help estimate consumer purchasing power.
- D. drive imports to become cheaper.

ANSWER: D

94. Which of the following are positive reasons for internationalization?

- A. Market diversification.
- B. Economies of scale.
- C. International competitiveness.
- D. All of the above.

ANSWER: D

95. Which of the following are positive reasons for internationalization?

- A. Market diversification.
- B. Economies of scale.
- C. International competitiveness.
- D. All of the above.

ANSWER: D

96. Profit may be defined as

- A. the difference between total wage costs and total sales revenue .
- B. total revenue from sales .
- C. the difference between total production costs and total sales revenue .
- D. the amount of money paid to shareholders as dividends .

ANSWER: C

97. In the PEST framework for environmental analysis what does the letter E stands for

- A. Ethical .
- B. Ecological .
- C. Educational.
- D. Economic.

ANSWER: D

98. Analyzing processes of change in the business environment involves conceptualizing it as

- A. Complex.
- B. Static.
- C. Dynamic.
- D. Diverse .

ANSWER: D

99. A multi-national corporation (MNC) is defined by

- A. carrying out production in more than one country.
- B. having sales in more than one country.
- C. having a multi-ethnic workforce .
- D. having suppliers in more than one country.

ANSWER: A

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ANSWER: A

101. Which type of organization structure is characterized by departments or units dealing with specialized tasks?

- A. Matrix.
- B. Divisional .
- C. Hierarchical .
- D. Functional.

ANSWER: D

102. The political system that stresses the primacy of collective goals over individual goals is

- A. individualism.
- B. Collectivism.
- C. Socialism.
- D. Communism.

ANSWER: B

103. The system of government in a nation is called the

- A. Political system.
- B. Economic environment.
- C. Political environment.
- D. National policy.

ANSWER: C

104. A philosophy of freedom of an individual in the economic and political pursuits is

- A. Collectivism.
- B. Individualism.

- C. Socialism.
- D. Democracy.

ANSWER: D

105. The protection against the new invention of a product or process for a defined period is

- A. patent.
- B. trade mark.
- C. copy right.
- D. Technology

ANSWER: C

106. The goods and the services produced, priced and distributed by the government is

- A. Market economy.
- B. Secular economy.
- C. Command economy.
- D. Mixed economy.

ANSWER: C

107. The law based on the tradition of a precedent and custom is

- A. civil law.
- B. criminal law.
- C. common law.
- D. religious law.

ANSWER: C

108. The exclusive legal right of authors. Composers, play writes, artists and publishers to publish and disperse their works is

- A. Patent.
- B. trade mark.
- C. copy right.
- D. Technology.

ANSWER: C

109. The Paris Convention for the Protection of Industry Property was dated

- A. 1783.
- B. 1883.
- C. 1983.
- D. 2003.

ANSWER: A

110. The transfer of the ownership of state property into the hands of the private individuals by the sale of state assets through auction is

- A. Privatization.
- B. Liberalization.
- C. Globalization.
- D. Domestication.

ANSWER: A

111. The law that prevent the practices in restraint of trade is

- A. Antiboycott regulations.
- B. Antitrust Laws.
- C. Antibribery regulations.
- D. Anticorruption regulations.

ANSWER: A

112. The taking over of a private firm by the host country government to be run it as a government unit is

- A. expropriation.
- B. confiscation.
- C. nationalization.
- D. domestication.

ANSWER: C

113. The focus on increasing profitability and profit growth by reaping the cost reduction that come from economies of scale is

- A. global standardization strategy.
- B. localization strategy.
- C. transnational strategy.
- D. international strategy.

ANSWER: A

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- B. localization strategy.
- C. transnational strategy.
- D. international strategy.

ANSWER: A

115. The firms trying to simultaneously achieve low costs through locating economies in the firm`s global network of operations is

- A. global standardization strategy.
- B. localization strategy.
- C. transnational strategy.
- D. international strategy.

ANSWER: C

116. The strategy of taking the products first produced for their domestic market and selling them internationally with only minimal local customization is

- A. global standardization strategy.
- B. localization strategy.
- C. transnational strategy.
- D. international strategy.

ANSWER: D

117. An agreement whereby a person grants the other the rights to intangible property for a

specified period for a return of royalty is

- A. franchising.
- B. licensing.
- C. joint venture.
- D. strategic alliances.

ANSWER: B

118. The agreement in which a firm not only sells intangible property to an entity but also insist on the strict rules as to how it does business is

- A. franchising.
- B. licensing.
- C. joint venture.
- D. strategic alliances.

ANSWER: A

119. A entitlement establishing a firm that is jointly owned by two or more otherwise independent firms

- A. franchising.
- B. licensing.
- C. joint venture.
- D. strategic alliances.

ANSWER: C

120. The entry mode that allow firms to export their process know- how to countries where FDI is prohibited, thereby enabling the firm earn greater return from this assets is

- A. licensing.
- B. consultancy exports.
- C. project exports.
- D. turnkey projects.

ANSWER: D

121. The abstract ideas about what a group of people and that when taken together constitute a design for living is

- A. norms.
- B. values.
- C. Attitude.
- D. belief.

ANSWER: B

122. The social guidelines and rules that prescribe appropriate behavior in particular situation is

- A. norms.
- B. values.
- C. Attitude.
- D. belief.

ANSWER: A

123. The law system practices in Japan is

- A. Common law.

- B. Code law.
- C. Civil law.
- D. Religious law.

ANSWER: B

124. The leading continent in international trade in IT products is

- A. Asia.
- B. Europe.
- C. America.
- D. Africa.

ANSWER: A

125. The origin of Common law is in

- A. America.
- B. England.
- C. Russia.
- D. India.

ANSWER: B

126. The law system practices in Japan is

- A. Common law.
- B. Code law.
- C. Civil law.
- D. Religious law.

ANSWER: B

127. Terrorism in the host country is a

- A. ownership risk.
- B. operating risk.
- C. transfer risk.
- D. general risk.

ANSWER: B

128. Case law is the other name for

- A. code law.
- B. common law.
- C. civil law.
- D. criminal law.

ANSWER: B

129. The new economic policy has components

- A. Liberalization.
- B. Privatization.
- C. Globalization.
- D. LPG.

ANSWER: D

130. A mixed economy is necessarily a

- A. controlled.
- B. planned.
- C. organized.
- D. planned, organized and controlled.

ANSWER: B

131. What is the growth rate of the industrial output in the last four decades?

- A. 4.5 % per annum.
- B. 5 % annum.
- C. 6 % per annum.
- D. 5.5 % per annum.

ANSWER: D

132. Micro environment consist of

- A. suppliers.
- B. competitors.
- C. political.
- D. cultural.

ANSWER: A

133. Macro environment consists of

- A. suppliers.
- B. competitors.
- C. marketing.
- D. distributors.

ANSWER: B

134. Competitors, Customers and Public are the part of

- A. macro environment.
- B. micro environment.
- C. business necessities.
- D. internal environment.

ANSWER: B

135. Environment is synonym with

- A. task
- B. relation
- C. people.
- D. situational variables.

ANSWER: D

136. What are the main objectives of Five year plan?

- A. achieve full employment.
- B. reduce inequalities of income and wealth.
- C. setup a socialist society based on equality.
- D. balanced economy.

ANSWER: D

137. Environment is synonym with

- A. task.
- B. relation.
- C. people.
- D. situational variables.

ANSWER: D

138. An ethical stance is the extent to which

- A. An organisation meets the expectations of its stakeholders.
- B. An organisation will exceed its minimum obligations to stakeholders and society at large.
- C. An organisation meets regulatory requirements.
- D. An organisation respects the dominant religious beliefs of the country in which it operates.

ANSWER: B

139. Corporate Social Responsibility concerns

- A. how an organisation meets the expectations of its stakeholders.
- B. the behaviour of individual managers.
- C. external stakeholder relationships.
- D. the ways in which an organisation exceeds its minimum required obligations to stakeholders.

ANSWER: D

140. Corporate Social Responsibility concerns

- A. how an organisation meets the expectations of its stakeholders.
- B. the behaviour of individual managers.
- C. external stakeholder relationships.
- D. the ways in which an organisation exceeds its minimum required obligations to stakeholders.

ANSWER: D

141. The cultural frames of reference include

- A. National; organisational field; competitors.
- B. National; organisational; organisational field and functional/divisional.
- C. Unions; organisational; industrial.
- D. Organisational; colleagues; organisational field.

ANSWER: B

142. The environmental factor that includes people's attitude to family religion etc is

- A. Cultural
- B. Economic
- C. Socio-cultural.
- D. Political.

ANSWER: C

143. The culture of an organisation can be conceived as consisting of layers

- A. Values; beliefs; behaviours; and taken-for-granted assumptions.
- B. Values; beliefs; tasks, objectives.
- C. Beliefs; tasks; personalities.
- D. Individual; functional; organisational.

ANSWER: A

144. The environmental factor that includes peoples attitude to family, religion etc is

- A. Cultural.
- B. Economic.
- C. Socio- cultural.
- D. Political.

ANSWER: C

145. Which of the following is a possible consequence of global warming?

- A. A global temperature increase of ten to fifteen Celsius.
- B. An increase in ultraviolet radiation reaching the earth surface.
- C. A global temperature increase of three to ten degrees Fahrenheit.
- D. An increase in the chlorofluorocarbons in the atmosphere.

ANSWER: D

146. The largest oil- exporting country in the world is

- A. Norway.
- B. Saudi Arabia.
- C. Russia.
- D. Great Britain.

ANSWER: B

147. Air and water pollution are typically

- A. Regional.
- B. Multilateral.
- C. Economic.
- D. Global.

ANSWER: D

148. The Clean Water Act was passed in the year

- A. 1960.
- B. 1970.
- C. 1980.
- D. 1990.

ANSWER: B

149. The essential feature of FDI is

- A. investment of a very high value.
- B. Investment in shares.
- C. Investors influence on the management of the enterprise.
- D. Investor staying apart from management.

ANSWER: C

150. A country in the stage of traditional society is

- A. characterized by existence of traditional rule.
- B. non- existence of industries.
- C. predominance of agriculture.
- D. complete absence of literacy.

ANSWER: C

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