Test Bank For

International Business The New Realities, 2025 6th edition S Tamer Cavusgi Gary Knight John R. Riesenberger

Chapter 2-17

Chapter 2 Globalization of Markets and the Internationalization of the Firm

1) Globalization allows companies to outsource ________ to the most favorable locations worldwide.
A) mining operations
B) the acquisition of labor
C) value-chain activities
D) shipping
Answer: C
Diff: 3: Challenging
Skill: Concept
Objective: 2-1: Understand market globalization as an organizing framework
AACSB: Application of Knowledge

2) The first phase of globalization was characterized by the ________.
A) rise of steel production
B) rise of SMEs
C) dominance of MNEs in the agricultural industry
D) introduction of railroads and ocean transport
Answer: D
Diff: 1: Easy
Skill: Concept
Objective: 2-1: Understand market globalization as an organizing framework
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3) The ________ phase of globalization began around 1900 and was associated with the rise of electricity and steel production.
A) first
B) second
C) third
D) fourth
Answer: B
Diff: 1: Easy
Skill: Concept
Objective: 2-1: Understand market globalization as an organizing framework
AACSB: Application of Knowledge

4) The third phase of globalization was triggered by ________.
A) the end of World War II
B) the invention of electricity
C) the end of World War I
D) the Great Depression
Answer: A
Diff: 1: Easy
Skill: Concept
Objective: 2-1: Understand market globalization as an organizing framework
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5) Which of the following reflects the major contribution of GATT to globalization?
A) It instituted strict controls on international currencies.
B) It simplified patent and copyright laws.
C) It reduced barriers to international trade and investment.
D) It eliminated the divide between the rich and the poor.
Answer: C
Diff: 1: Easy
Skill: Concept
Objective: 2-1: Understand market globalization as an organizing framework
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6) Which of these phases of globalization was fueled by pent-up consumer demand?
A) First phase
B) Second phase
C) Third phase
D) Fourth phase
Answer: C
Diff: 1: Easy
Skill: Concept
Objective: 2-1: Understand market globalization as an organizing framework
AACSB: Application of Knowledge

Internationalization Conference (Scenario)
At a conference on business internationalization strategies, representatives of three different businesses meet to discuss a joint venture between their companies. Business A is located in a country that internationalized during the second phase of globalization. Business B is based in a country that internationalized during the third phase of globalization. Business C is located in an emerging market country.

7) The representative from Business A is most likely from ________.
A) China

B) United Kingdom
C) Mexico
D) Brazil
Answer: B
Diff: 2: Moderate
Skill: Application
Objective: 2-1: Understand market globalization as an organizing framework
AACSB: Analytical Thinking

8) The representative from Business B is most likely from ________.
A) Panama
B) Hungary
C) Uganda
D) Japan
Answer: D
Diff: 2: Moderate
Skill: Application
Objective: 2-1: Understand market globalization as an organizing framework
AACSB: Analytical Thinking

9) The representative from Business C is most likely from ________.
A) Italy
B) Brazil
C) the United States
D) France
Answer: B
Diff: 2: Moderate
Skill: Application
Objective: 2-1: Understand market globalization as an organizing framework
AACSB: Analytical Thinking

10) The Bretton Woods Conference held in 1947 led to the creation of the ________.
A) World Bank
B) International Monetary Fund
C) World Trade Organization
D) General Agreement on Tariffs and Trade
Answer: D
Diff: 1: Easy
Skill: Concept
Objective: 2-1: Understand market globalization as an organizing framework
AACSB: Application of Knowledge

11) Which of these nations or regions is NOT one where early multinational corporations

emerged during the third phase of globalization?
A) Japan
B) China
C) Western Europe
D) United States
Answer: B
Diff: 1: Easy
Skill: Concept
Objective: 2-1: Understand market globalization as an organizing framework
AACSB: Application of Knowledge

12) How have new technologies slowed the growth of international trade in physical goods?
A) New technologies make it easier to transmit information between countries.
B) New technologies make it easier for corporate espionage to occur, so firms are producing domestically to lower risk.
C) New technologies make it more challenging to engage in foreign direct investment.
D) New technologies increased the productivity of domestic firms so many no longer need to outsource production.
Answer: D
Diff: 3: Challenging
Skill: Concept
Objective: 2-1: Understand market globalization as an organizing framework
AACSB: Application of Knowledge

13) A ________ is the sequence of activities the firm performs in the course of developing, producing, marketing, and servicing a product that increase the product's worth.
A) foreign direct investment
B) digital technology
C) value chain
D) phase 5 action
Answer: C
Diff: 1: Easy
Skill: Concept
Objective: 2-1: Understand market globalization as an organizing framework
AACSB: Application of Knowledge

14) Which of these statements is NOT a distinction made in the organizing framework for examining market globalization presented in the text?
A) Driving forces, or causes of globalization
B) Protectionist policies, or impediments to globalization
C) Dimensions, or manifestations of globalization
D) Firm-level consequences of globalization
Answer: B