Marketing Essentials Chapter 4 Test

True/False

Indicate whether the statement is true or false.

\_\_\_\_ 1. An embargo is a limit on the number or monetary value of a product that can be imported.

\_\_\_\_ 2. A nation’s balance of trade is the difference in value between its exports and imports.

\_\_\_\_ 3. GATT was an international agreement to open trade markets and promote global free trade.

\_\_\_\_ 4. International trade and foreign investments generate about two-thirds of the profits of U.S. businesses.

\_\_\_\_ 5. A nation experiences a trade surplus when it imports more than it exports.

Multiple Choice

Identify the choice that best completes the statement or answers the question.

\_\_\_\_ 1. The major trade benefit of contract manufacturing is

a. partnership

b. lower taxes

c. lower wages

d. proprietary information

\_\_\_\_ 2. Select the trade alliance that establishes guidelines for international trade.

a. WTO

b. NAFTA

c. EU

d. all the above

\_\_\_\_ 3. One economic factor relevant to starting a business in another country is

a. technology

b. language and symbols

c. foreign exchange rate

d. government stability

\_\_\_\_ 4. In 1989, the United States placed a ban on Chilean grapes due to poisoned fruit. What is another term for this ban?

a. protective tariff

b. quota

c. embargo

d. time draft

\_\_\_\_ 5. Global marketing strategies include globalization, adaptations, and

a. language and symbols

b. multinationals

c. customization

d. quota

6. An exchange of gods and services among nations

 a. Quota

 b. embargo

 c. International trade

 d. NAFTA

7. coalition of nations that makes rules governing international trade

 a. licensing

 b. embargo

 c. WTO

 D. NAFTA

8. \_\_\_\_\_\_ restricts imports in order to protect domestic industries

 a. protectionism

 b. embargo

 c. trade balance

 d. WTO

9. difference in value between exports and imports

 a. balance of trade

 b. international trade

 c. NAFTA

 D. WTO

10. limits either the quantity or the monetary value of an imported product

 a. licensing

 b. imports

 c. balance of trade

 d. quota

1. F
2. T
3. T
4. F
5. F
6. D
7. D
8. C
9. C
10. C
11. C
12. C
13. A
14. A
15. D