

## TESTS

1. The internationalization of management was caused by:
  - a) rapid growth of the role of transnational corporations in the global economy
  - b) decreasing capital mobility on a global scale
  - c) predominant use of protectionism concepts
  - d) flexible organizational structure of the enterprise
  
2. Advantage of globalization process in international business development:
  - a) more complex and competitive environment
  - b) problems in global planning
  - c) increased revenue opportunities through global sales
  - d) market potential that is limited to the home country
  
3. Main characteristic of domestic stage of international business development:
  - a) company usually adopts a multi-domestic approach
  - b) market potential is limited to the home country
  - c) making sales and acquiring resources in whatever country offers the best opportunities and lowest cost
  - d) marketing and production facilities located in many countries
  
4. Main characteristic of global stage of international business development:
  - a) market potential is limited to the home country
  - b) company usually adopts a multi-domestic approach
  - c) marketing and production facilities located in many countries
  - d) making sales and acquiring resources in whatever country offers the best opportunities and lowest cost
  
5. The process of applying management concepts and techniques in a multinational environment and adapting management practices to different economic, political, and cultural environments is known as:
  - a) international management
  - b) globalization
  - c) international marketing
  - d) business culture
  
6. International marketing consists of:
  - a) managing relations, arising on the edge of national and organizational cultures, clarification and use behavior patterns that are inherent for national business culture
  - b) finding and satisfying global customer needs better than the competition, both domestic and international
  - c) setting standards, measuring actual performance and taking corrective action
  - d) merging of distinct and separate national markets into one huge global marketplace
  
7. Cross-cultural management involves:
  - a) defining enterprise strategy/development direction, and making decisions on allocating its resources to pursue this strategy
  - b) managing national relations using domestic business practices
  - c) managing relations, arising on the edge of national and organizational cultures, cross-cultural study of the causes of conflicts and their neutralization, clarification and use behavior patterns that are inherent for national business culture
  - d) creating a picture of what kinds of new products and services may bring a profit

8. International marketing microenvironment includes:
- a) suppliers, customers, marketing intermediaries, competitors and publics
  - b) demographic, economic, ecological, technological, political and sociocultural factors
  - c) strategy, mission, structure, technology, business model and personnel of the company
  - d) economic development, infrastructure, resource and product markets, exchange rates and inflation

9. Demographic, economic, ecological, technological, political and sociocultural factors represent:
- a) international marketing microenvironment
  - b) internal environment of the enterprise
  - c) industrial environment of the enterprise
  - d) international marketing macroenvironment

10. International marketing research is:
- a) identifying meaningfully different group of customers
  - b) process of systematic gathering, recording, analyzing and interpreting of data to provide information useful to marketing decision making
  - c) defining enterprise strategy/development direction, and making decisions on allocating its resources to pursue this strategy
  - d) identifying and analyzing internal factors that can have an impact on the viability of a project, product, place or person

11. International marketing research is needed to:
- a) collect latest data on demand and supply in the market, find out new market and create more demand for goods
  - b) study current strategies of the enterprise and form new mission
  - c) identify common group of domestic customers and evaluate segment attractiveness
  - d) analyze mission, strategy, structure, technology, business model and personnel of the company

12. Sources of primary data in international marketing research:
- a) government, trade, professional and business associations, research organizations
  - b) business plans of the enterprise
  - c) magazines, newspapers, radios and televisions
  - d) survey, observation, laboratory and field experiments

13. Secondary data in international marketing research is:
- a) the information that has been originated by a researcher for the specific purpose of addressing for the problem at hand
  - b) the information that has already been collected for some other purpose (other than the problem at hand)
  - c) theoretical or practical understanding of a subject
  - d) collecting data through interviews of the people

14. International marketing research process begins with:
- a) defining the problem and research objectives
  - b) developing the research plan
  - c) analyzing internal and external information
  - d) making the decision concerning marketing program

15. Defining the problem and research objectives in international marketing research includes:
- a) specify constraints and determining how to collect data
  - b) analyze data and present findings
  - c) developing action recommendations and implementing them
  - d) setting research goals and identifying possible marketing actions

16. Develop the research plan in international marketing research includes:
- a) setting research goals and identifying possible marketing actions
  - b) specify constraints and determining how to collect data
  - c) analyze data and present findings
  - d) developing action recommendations, implementing them and evaluating results

17. Advantage of primary international marketing research:
- a) research can be tailored to the needs of the business
  - b) may be quicker to carry out than secondary research
  - c) a relatively inexpensive way to gather market information
  - d) time-consuming to undertake surveys and observations

18. Advantage of secondary international marketing research:
- a) time-consuming to undertake surveys and observations
  - b) a relatively inexpensive way to gather market information
  - c) availability of the secondary data to business competitors
  - d) generates information that is not available to the competitors

19. Segmentation of foreign market provides:
- a) selecting which segments to serve
  - b) implementing chosen image and appeal to chosen segment
  - c) choosing the right pricing strategy to increase profit in line with company objectives
  - d) identifying meaningfully different group of customers

20. Selecting which segments to serve in international marketing is known as:
- a) market segmentation
  - b) market targeting
  - c) product positioning
  - d) promotion strategy

21. Product positioning in international marketing includes:
- a) developing and implementing marketing mix for each selected segment
  - b) selecting which segments to serve
  - c) choosing the right pricing strategy to increase profit in line with company objectives
  - d) identifying meaningfully different group of customers

22. Requirement of “measurability” of effective market segmentation means that:
- a) the segment must be large and profitable enough to serve
  - b) the segment can be reached and served
  - c) size, purchasing power and profile of the segment should be identified
  - d) effective programs can be developed

23. Requirement of “accessibility” of effective market segmentation means that:
- a) the segment can be reached and served
  - b) size, purchasing power and profile of the segment should be identified

- c) effective programs can be developed
- d) the segment must be large and profitable enough to serve

24. Requirement of “substantiality” of effective market segmentation means that:

- a) size, purchasing power and profile of the segment should be identified
- b) the segment can be reached and served
- c) effective programs can be developed
- d) the segment must be large and profitable enough to serve

25. Customers in a market segment should be very similar in both their segment dimensions and their likely response to a marketing mix – this is a characteristic of:

- a) heterogeneous market segment
- b) homogeneous market segment
- c) economic upside market segment
- d) operational market segment

26. Customers in different market segments should be as divergent as possible with other segments – this is a characteristic of:

- a) homogeneous market segment
- b) operational market segment
- c) economic upside market segment
- d) heterogeneous market segment

27. The main variables of psychographic segmentation in international marketing:

- a) price sensitivity, brand preferences, hobbies, lifestyle, purchase based on trends, etc.
- b) age, income, marital status, education, family size, gender, geographic location, social status and occupation
- c) purchase history, shop location, type of store preferences, association memberships, internet usage, impulsiveness
- d) technology landscape, purchasing power, management practices, purchasing process, business culture

28. The main variables of demographic segmentation in international marketing:

- a) purchase history, shop location, type of store preferences, association memberships, internet usage, impulsiveness
- b) technology landscape, purchasing power, management practices, purchasing process, business culture
- c) price sensitivity, brand preferences, hobbies, lifestyle, purchase based on trends, etc.
- d) age, income, marital status, education, family size, gender, geographic location, social status and occupation

29. The main variables of behavioral segmentation in international marketing:

- a) technology landscape, purchasing power, management practices, purchasing process, business culture
- b) purchase history, type of store preferences, association memberships, internet usage, impulsiveness
- c) age, income, marital status, education, family size, gender, geographic location, social status and occupation
- d) price sensitivity, brand preferences, hobbies, lifestyle, purchase based on trends, etc.

30. A target market is:

- a) a group of customers towards which a business has decided to aim its marketing efforts and ultimately its merchandise
- b) a system of institutions, procedures, social relations and infrastructures whereby parties engage in exchange
- c) a group of persons or organizations that use different economic services or commodities
- d) a group of individuals or firms that link producers to other intermediaries or the ultimate buyer

31. An attractive market has the following characteristic:

- a) it's stable and saturated with different goods
- b) it differs from the firm's objectives and mission
- c) it's growing and sizeable enough to be profitable given operating cost
- d) high level of market competition and lack of resources

32. Undifferentiated targeting strategy used in global markets:

- a) one firm chooses to focus on one of several segments that exist while leaving other segments to competitors
- b) all consumers are treated as the same, with firms not making any specific efforts to satisfy particular groups
- c) a company tries to gain customers from more than one type of market for the same product and uses, therefore, different types advertising
- d) targeting an even more select group of consumers ("to be a big fish in a small pond")

33. Concentrated targeting strategy used in global markets:

- a) all consumers are treated as the same, with firms not making any specific efforts to satisfy particular groups
- b) one firm chooses to focus on one of several segments that exist while leaving other segments to competitors
- c) targeting an even more select group of consumers ("to be a big fish in a small pond")
- d) a company tries to gain customers from more than one type of market for the same product and uses, therefore, different types advertising

34. Niche targeting strategy used in global markets:

- a) targeting an even more select group of consumers ("to be a big fish in a small pond")
- b) all consumers are treated as the same, with firms not making any specific efforts to satisfy particular groups ("to be a small fish in a big pond")
- c) one firm chooses to focus on one of several segments that exist while leaving other segments to competitors
- d) transmitting a tailored message to a subgroup of the consumers on the basis of unique information about that subgroup

35. One-to-one marketing targeting strategy:

- a) a company tries to gain customers from more than one type of market for the same product and uses, therefore, different types advertising
- b) one firm chooses to focus on one of several segments that exist while leaving other segments to competitors
- c) all consumers are treated as the same, with firms not making any specific efforts to satisfy particular groups ("to be a small fish in a big pond")
- d) a customer relationship management strategy emphasizing personalized interactions with customers

36. Advantage of direct exports as a form of entering foreign markets by the enterprise:

- a) control over selection of foreign markets and choice of foreign representative companies

- b) requires higher investments of time, resources and personnel and also organizational changes
- c) export management is outsourced, alleviating pressure from management team
- d) quickly expand without much risk and large capital investment

37. Advantage of licensing as a form of entering foreign markets by the enterprise:

- a) control over selection of foreign markets and choice of foreign representative companies
- b) export management is outsourced, alleviating pressure from management team
- c) quickly expand without much risk and large capital investment
- d) potentially greater sales, and therefore greater profit, than with indirect exporting

38. Risks of competitive collaboration in strategic alliances:

- a) risk of having the trademark and reputation ruined by an incompetent partner
- b) strengths gained by learning from one company can be used against the other
- c) loss of power in terms of global competition
- d) little or no control over distribution, sales and marketing

39. Financial capability of a partner for international strategic alliances means:

- a) partners can generate sufficient financial resources to maintain the venture's efforts, which is also important for long-term partnership
- b) partners need to have same general goal and understanding in forming a joint venture
- c) partners need to contribute some skills and resources that complement for another
- d) different size of companies may cause domination of one firm or unequal agreement, which is not favorable for long-term running

40. Strategic compatibility of a partner for international strategic alliances means:

- a) partners need to have same general goal and understanding in forming strategic partnership
- b) partners need to contribute some skills and resources that complement for another
- c) different size of companies may cause domination of one firm or unequal agreement, which is not favorable for long-term running
- d) partners can generate sufficient financial resources to maintain the venture's efforts, which is also important for long-term partnership

41. Strategic compatibility of a partner for international strategic alliances means:

- a) partners need to have same general goal and understanding in forming strategic partnership
- b) partners need to contribute some skills and resources that complement for another
- c) different size of companies may cause domination of one firm or unequal agreement, which is not favorable for long-term running
- d) partners can generate sufficient financial resources to maintain the venture's efforts, which is also important for long-term partnership

42. Complementary skills and resources of a partner for international strategic alliances means:

- a) partners need to have same general goal and understanding in forming strategic partnership
- b) partners can generate sufficient financial resources to maintain the venture's efforts, which is also important for long-term partnership
- c) partners need to contribute some skills and resources that complement for another
- d) different size of companies may cause domination of one firm or unequal agreement, which is not favorable for long-term running

43. Tangible elements of a product includes:

- a) materials, size, weight, design, packaging, performance, comfort
- b) brand image, style, other benefits installation, delivery, credit, warranty, after-sale service, return policy
- c) width, length, depth and consistency of product mix
- d) price, advertising media and distribution channels

44. Intangible elements of a product includes:

- a) width, length, depth and consistency of product mix
- b) price, advertising media and distribution channels
- c) materials, size, weight, design, packaging, performance and comfort
- d) brand image, style, other benefits installation, delivery, credit, warranty, after-sale service and return policy

45. The set of all product lines and items that a particular seller offers for sale to international buyers is known as:

- a) product mix
- b) product
- c) product life cycle
- d) product planning

46. Product strategy of straight extension for global marketing:

- a) the firm caters to the needs and wants of its foreign customers
- b) the firm adopts the same policy used in its home market
- c) the firm designs a product from scratch for foreign customers
- d) the firm promotes the product externally with press, customers, and partners

47. Strategy of product adaptation for global marketing:

- a) the firm adopts the same policy used in its home market
- b) the firm designs a product from scratch for foreign customers
- c) the firm promotes the product externally with press, customers, and partners
- d) the firm caters to the needs and wants of its foreign customers

48. Strategy of product innovation for global marketing:

- a) the firm adopts the same policy used in its home market
- b) the firm designs a product from scratch for foreign customers
- c) the firm launches limited product in one country market
- d) the firm caters to the needs and wants of its foreign customers

49. Product differentiation is:

- a) the modification of a product to make it more attractive to the target market
- b) the set of all product lines and items that a particular seller offers for sale to international buyers
- c) an organizational function within a company dealing with the planning or marketing of a product or products at all stages of the product lifecycle
- d) introducing existing product to a new market

50. A name, logo, term, symbol or design, or a combination of them, which is intended to signify the goods or services of one seller or group of sellers and to differentiate them from those of competitors:

- a) product

- b) product mix
- c) brand
- d) quality

51. Brand equity measures:

- a) the total value of the brand to the brand owner, and reflects the extent of brand franchise
- b) energy that flows throughout the system that links businesses and all their stakeholders
- c) a set of all product lines and items that a particular seller offers for sale to international buyers.
- d) product life cycle

52. A complex that unites participants, communication channels and methods of companies, aimed at establishing and supporting specific interrelations with recipients of communications to achieve its marketing objectives is known as:

- a) distribution policy of the enterprise
- b) internal communication system of the enterprise
- c) international marketing research
- d) system of international marketing communications

53. Promotional mix is:

- a) interpersonal, one way mass communication about a product or organization that is paid for by a marketer
- b) a combination of promotion tools used to reach the target market and fulfill the organization's overall goals
- c) planned presentation to one or more prospective buyers for the purpose of making a sale
- d) ability to generate fresh, unique and appropriate ideas that can be used as solutions to communication

54. Interpersonal, one way mass communication about a product or organization that is paid for by a marketer in more than one country:

- a) public relations
- b) sales promotion
- c) international advertising
- d) personal selling

55. International promotional strategy is:

- a) a plan for the optimal use of the elements of promotion in the international marketing environment
- b) a plan made by an organization to encourage advancements in technology or services, usually by investing in R&D
- c) a complex plan or method for achieving a particular goal usually over a long period of time
- d) a complex of means by which a strategy is carried out

56. Disadvantages of international advertising:

- a) economies of scale in production and distribution of advertisements
- b) lower production costs due to reduction in planning and control
- c) lack of skills and marketing skills
- d) difference in culture, market and economic development, media availability, legal restrictions make it difficult for a company to operate in International markets

57. Functions of public relations in international marketing:



- a) identifying brands, previewing new trends, increase consumer loyalty for a product, service or idea
- b) support the sales effort, maintain a positive image, educate the public about the company's objectives, introduce new products, generate favorable publicity
- c) planning international advertising campaigns, personal selling and sales promotion
- d) effectively coordinating the procurement, allocation, and utilization of the human, financial, intellectual, and physical resources of the firm within and across national boundaries

58. Factors for determining price in international markets:

- a) cost of product, exchange rates, competitive behavior, currency fluctuations, inflationary environment, elasticity of demand, government policies
- b) marketing mix (product, price, place and promotion)
- c) transport system development, information and telecommunication channels
- d) activities of research and development organizations

59. Global pricing is lot more complex than domestic pricing due to:

- a) international currency fluctuations, price escalations due to tariffs, difficulties to access credit risks, price controls, anti-dumping laws, regulation on transfer pricing, methods of payment
- b) worldwide population growth, population age mix, ethnic markets and educational groups
- c) difficulty to establish a universal foundation of employment practices
- d) language barrier

60. The essence of geocentric pricing:

- a) multi-domestic firms give wide leverage for subsidiaries on pricing resulting in different prices in different countries
- b) a company has a common price all over the world based on national pricing practices
- c) a company set global standard price plus regional markup
- d) a company set price to cover both fixed and variable costs

61. Direct involvement of the enterprise in distribution process:

- a) company utilizes independent agents, distributors, and/or wholesalers
- b) company manufactures a licensed product for a fixed term in a specific market
- c) company establishes its own sales force or operates its own retail stores
- d) company pays contractors to design and construct new facilities and train personnel

62. Indirect involvement of the enterprise in distribution process:

- a) company pays contractors to design and construct new facilities and train personnel
- b) company utilizes independent agents, distributors, and/or wholesalers
- c) company manufactures a licensed product for a fixed term in a specific market
- d) company establishes its own sales force or operates its own retail stores

63. Horizontal marketing system is:

- a) a distribution system in which a single firm sets up two or more marketing channels to reach one or more customer segments
- b) a channel facilitating the flow of goods from a producer to an organizational customer
- c) a direct channel that carries goods directly from a producer to the business purchaser or consumer
- d) a channel arrangement in which two or more companies at one level join together to follow a new marketing opportunity

64. Multichannel distribution system is:

- a) a channel facilitating the flow of goods from a producer to an organizational customer
- b) a distribution system in which a single firm sets up two or more marketing channels to reach one or more customer segments
- c) a channel arrangement in which two or more companies at one level join together to follow a new marketing opportunity
- d) a direct channel that carries goods directly from a producer to the business purchaser or consumer

65. Vertical marketing system is:

- a) a distribution channel structure in which producers, wholesalers, and retailers act as a unified system
- b) a channel facilitating the flow of goods from a producer to an organizational customer
- c) a direct channel that carries goods directly from a producer to the business purchaser or consumer
- d) a distribution system in which a single firm sets up two or more marketing channels to reach one or more customer segments.