



BIJU PATNAIK INSTITUTE OF INFORMATION TECHNOLOGY  
& MANAGEMENT STUDIES, BHUBANEWAR

Semester: 2<sup>nd</sup> MBA  
Batch : 2023-25  
Subject: International Business

Date: 2024  
Surprise Test  
Duration: 20 Min  
Full Marks: 20

1. What is the primary goal of international business?
  - a. Profit maximization**
  - b. Market expansion
  - c. Social responsibility
  - d. Cost reduction
2. Which of the following is a form of direct foreign investment?
  - a. Exporting
  - b. Licensing
  - c. Joint venture**
  - d. Franchising
3. What is the purpose of a letter of credit in international trade?
  - a. Payment guarantee**
  - b. Quality assurance
  - c. Tax exemption
  - d. Market analysis
4. What is the term for a situation where a country exports more than it imports?
  - a. Trade surplus**
  - b. Trade deficit
  - c. Balance of payments
  - d. Current account
5. Which strategy involves adapting products and marketing strategies to suit local preferences and cultural differences?
  - a. Standardization
  - b. Globalization
  - c. Localization**
  - d. Homogenization
6. What is the main purpose of a SWOT analysis in international business?
  - a. Financial forecasting
  - b. Risk assessment**
  - c. Quality control
  - d. Market segmentation
7. Which currency is used as the primary reserve currency in international transactions?
  - a. Euro
  - b. Yen
  - c. Dollar**
  - d. Pound



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8. What is complete prohibition of goods known as in international business?
- a. Tariff
  - b. Quota
  - c. Embargo**
  - d. Subsidy
9. What is the term for a cooperative agreement between two or more companies to work together on a project or venture?
- a. Merger
  - b. Acquisition
  - c. Joint venture**
  - d. Franchise
10. Which factor is NOT considered in the PESTEL analysis for assessing the external business environment?
- a. Political
  - b. Economic
  - c. Social
  - d. Technological
  - e. Legal**
11. Which market entry mode involves allowing another company to use your brand, trademark, or business model?
- a. Exporting
  - b. Licensing
  - c. Franchising**
  - d. Joint venture
12. What is the primary focus of a multinational corporation (MNC)?
- a. Domestic market only
  - b. Single foreign market
  - c. Multiple foreign markets**
  - d. Non-profit activities
13. In the context of cultural differences, what does the term 'ethnocentrism' refer to?
- a. Adaptation to local cultures
  - b. Evaluation of other cultures based on one's own**
  - c. Global standardization of products
  - d. Cultural relativism
14. In the EPRG framework, which orientation is characterized by a home country-oriented approach?
- A. Ethnocentrism (E)**
  - B. Polycentrism (P)
  - C. Regiocentrism (R)
  - D. Geocentrism (G)
15. What is a potential demerit of counter-trade?
- A. Facilitates technology transfer
  - B. Stabilizes export earnings
  - C. May result in the trading of difficult-to-sell products**
  - D. Helps meet import requirements



16. Which financial instrument provides a guarantee from a bank that a seller will receive payment from the buyer?

- a. Bill of lading
- b. Invoice
- c. Letter of credit**
- d. Purchase order

17. What is the main purpose of a joint venture in international business?

- a. Full ownership of foreign operations
- b. Risk and cost-sharing with a local partner**
- c. Exporting products to foreign markets
- d. Regulatory compliance

18. Turnkey projects are found in case where:

- a. The initial construction of the plant is complex and its operation is simple**
- b. The initial construction of the plant is simpler than its operation
- c. The initial construction and operation both are simpler.
- d. None of these
- e.

19. Buy back agreements are a form of

- a. Commercial counter trade
- b. Industrial counter trade**
- c. Both industrial and commercial counter trade
- d. None of these

20. Monopolisation of political power is found in case of

- a. Democratic government
- b. Totalitarian government
- c. Theocratic government
- d. None of these



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