

Test Bank for International Management 12th Doh

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CORRECT ANSWERS ARE LOCATED IN THE 2ND HALF OF THIS DOC.

TRUE/FALSE - Write 'T' if the statement is true and 'F' if the statement is false.

- 1) Individualism views the needs and goals of society at large as more important than individual desires.
 - ☐ true
 - ☐ false
- 2) Fascism is an extreme form of socialism that was realized through violent revolution and was committed to the idea of a worldwide socialist state.
 - ☐ true
 - ☐ false
- 3) Communism is an authoritarian political ideology that considers individual and other societal interests inferior to the needs of the state.
 - ☐ true
 - ☐ false
- 4) Nationalization is an ideal in and of itself whereby an individual is completely loyal to his or her nation.
 - ☐ true
 - ☐ false
- 5) Essentially, every citizen should be involved in decision-making processes in a democratic system.
 - ☐ true
 - ☐ false
- 6) The most common form of totalitarianism government is communist totalitarianism.
 - ☐ true
 - ☐ false
- 7) Both domestic and international political environments have a major impact on multinational corporations.
 - ☐ true
 - ☐ false
- 8) Collectivism emerged in Poland and France as "national socialism."
 - ☐ true
 - ☐ false

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- 9) Socialism is a broad political movement, and in modern times, it branched off into two extremes: communism and social democracy.
- ☐ true
 - ☐ false
- 10) A form of totalitarianism, sometimes referred to as "right-wing," allows for both economic and political freedoms.
- ☐ true
 - ☐ false
- 11) Common law is derived from Roman law and is found in the non-Islamic and nonsocialist countries such as France, some countries in Latin America, and even Louisiana in the United States.
- ☐ true
 - ☐ false
- 12) The doctrine of civility holds that there must be mutual respect for the laws, institutions, and governments of other countries in the matter of jurisdiction over their own citizens.
- ☐ true
 - ☐ false
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- 13) The nationality principle is a jurisdictional principle of international law that holds that every country has jurisdiction over its citizens no matter where they are located.
- ☐ true
 - ☐ false
- 14) The nationality principle is a jurisdictional principle of international law that holds that every country has jurisdiction over its citizens no matter where they are located.
- ☐ true
 - ☐ false
- 15) The Foreign Corrupt Practices Act (FCPA) is an act that makes it illegal to influence foreign officials through personal payment or political contributions.
- ☐ true
 - ☐ false

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- 16) The protective principle is a jurisdictional principle of international law which holds that every country has jurisdiction over behavior that adversely affects its national security, even if that conduct occurred outside the country.
- ☐ true
☐ false
- 17) The territoriality principle is a jurisdictional principle of international law which holds that every nation has the right of jurisdiction within its legal territory.
- ☐ true
☐ false
- 18) A vast network of fiber-optic cables used for almost all transoceanic communication leads to a great deal of system vulnerability.
- ☐ true
☐ false
- 19) In the context of the trends in technology, the open-source model restricts free and legal sharing of software and code to prevent underdeveloped countries from gaining competitive advantage while minimizing costs.
- ☐ true
☐ false
- 20) Biotech companies mainly manufacture drugs through a process similar to that of organic chemistry and are unable to discover genetic abnormalities.
- ☐ true
☐ false

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MULTIPLE CHOICE - Choose the one alternative that best completes the statement or answers the question.

- 21) In the context of socialism, Karl Marx believed that
- A) businesses should benefit at the expense of laborers.
B) only a few individuals should benefit from businesses.
C) societal classes should exist.
D) governments should own businesses.
- 22) In the context of collectivism, the Greek philosopher Plato believed that
- A) individual desires should be viewed as the most important.
B) a classless society would help keep people focused on societal goals.
C) individual rights should be secured.
D) property should be commonly owned.

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- 23) In a business context, individualism is synonymous with_____.
- A) collectivism
 - B) socialism
 - C) totalitarianism
 - D) capitalism
- 24) Philosophers such as David Hume, Adam Smith, and Aristotle contributed to the ideology of_____.
- A) socialism
 - B) collectivism
 - C) individualism
 - D) communism
- 25) Adopters of individualism adhere to the philosophy that
- A) people should be free to pursue economic and political endeavors without constraint.
 - B) government interest should solely influence individual behavior.
 - C) communism in its extreme form is realized through violent revolution.
 - D) the needs and goals of society at large are more important compared to individual desires.
- 26) Which of the following is one of the biggest problems in transition economies?
- A) social democracy
 - B) privatization
 - C) corruption
 - D) nationalization
- 27) Identify a characteristic of social democracy.
- A) achievement of goals through nonviolent revolution
 - B) transference of ownership of a business from individuals to the government
 - C) loyalty of an individual toward his or her nation
 - D) complete control over every facet of political and human life
- 28) Which of the following statements is true of democracy?
- A) The government is controlled by the citizens either directly or through elections.
 - B) Once elected, a representative can no longer be held accountable for his or her actions.
 - C) Impartial public service restricts freedom of expression and assembly.
 - D) Once elected, a representative cannot be re-elected.

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- 29) Political repression and denial of rights and civil liberties are dominant ideals of_____.
- A) totalitarianism
 - B) a socialist democracy
 - C) collectivism
 - D) a monarchy
- 30) Aspects and degrees of the communist totalitarianism form of government are still found in_____.
- A) Singapore and Cambodia
 - B) Germany and Italy
 - C) Latin America only
 - D) Vietnam, Cuba, and North Korea
- 31) Which of the following statements is true about totalitarianism?
- A) The government is controlled by the citizens either directly or through elections.
 - B) Individual freedoms, such as freedom of expression and assembly, are secured.
 - C) Power is often maintained by suppression of opposition, which can be violent.
 - D) A representative party needs to strictly adhere to the goals of the majority ruling.
- 32) In the context of ideologies, which of the following is true of social democracy?
- A) It is a movement that achieved its goals through violent revolution.
 - B) It is prevalent in countries such as China, North Korea, and Cuba.
 - C) Businesses that were nationalized were highly efficient due to the guarantee of funding.
 - D) Citizens in social democracies suffered a hike in both taxes and prices.
- 33) In the context of the four foundations on which laws are based around the world, civil or code law
- A) comes from the Marxist socialist system.
 - B) is derived from Roman law.
 - C) is the foundation of the legal system in the United States.
 - D) continues to influence regulations in former communist countries.
- 34) In the context of the four foundations on which laws are based around the world, Islamic law is derived from
- A) the Marxist socialist system.
 - B) Roman law.
 - C) the ideologies of the Greek philosopher Prophet Farooq.
 - D) the teachings of the Prophet Muhammad.

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- 35) _____ comes from English law and is the foundation of the legal system in the United States, Canada, England, Australia, New Zealand, and other nations.
- A) Civil or code law
 - B) Islamic law
 - C) Socialist law
 - D) Common law
- 36) Identify a true statement about civil law.
- A) It comes from English law and is found in nonsocialist countries.
 - B) It is found in most Islamic countries in the Middle East and Central Asia.
 - C) It is derived from Roman law and is found in the non-Islamic and nonsocialist countries.
 - D) It is the foundation of the legal system in the United States, Canada, England, Australia, New Zealand, and other nations.
- 37) The _____ holds that governments have the right to rule themselves as they see fit.
- A) principle of sovereignty
 - B) nationality principle
 - C) territoriality principle
 - D) protective principle
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- 38) When compared with domestic law, international law is less coherent because
- A) it contains unwritten understandings that arise from repeated interactions among nations.
 - B) its sources embody only the laws of individual countries concerned with disputes.
 - C) its sources embody only the treaties and conventions of individual countries concerned with any dispute.
 - D) it is derived from the Marxist socialist system and is highly influenced by the regulations prevalent in former communist countries.
- 39) The _____ holds that every country has jurisdiction (authority or power) over its citizens no matter where they are located.
- A) doctrine of comity
 - B) nationality principle
 - C) territoriality principle
 - D) sovereignty principle

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- 40) The_____ holds that every nation has the right of jurisdiction within its legal region.
- A) sovereignty principle
 - B) protective principle
 - C) territoriality principle
 - D) nationality principle
- 41) The_____ holds that every country has jurisdiction over behavior that adversely affects its national security, even if that conduct occurred outside the country.
- A) territoriality principle
 - B) nationality principle
 - C) sovereignty principle
 - D) protective principle
- 42) The_____ holds that there must be mutual respect for the laws, institutions, and the government of other countries in the matter of jurisdiction over their own citizens.
- A) doctrine of protectionism
 - B) doctrine of civility
 - C) doctrine of mutual understanding
 - D) doctrine of comity
- 43) U.S. laws require equality in the workplace for all employees. U.S. citizens who take a job in Germany cannot sue their German employer under the provisions of U.S. law for failure to provide equal opportunity for them. This exemplifies the
- A) principle of sovereignty.
 - B) nationality principle.
 - C) doctrine of comity.
 - D) act of state doctrine.
- 44) Under the_____, all acts of other governments are considered to be valid by U.S. courts, even if such acts are inappropriate in the United States.
- A) act of state doctrine
 - B) act of international civility
 - C) act of judicial sovereignty
 - D) act of international understanding

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- 45) In the context of the treatment and rights of aliens, countries have the legal right to refuse the admission of foreign citizens and to impose special restrictions on all of the following *except*_____.
- A) conduct
 - B) right of travel
 - C) spending
 - D) what business they may conduct
- 46) An act that makes it illegal to influence foreign officials through personal payment or political contributions is referred to as the_____.
- A) Fairness in International Affairs Act
 - B) Foreign Corrupt Practices Act
 - C) Global Ethics Act
 - D) Fair Treatment of Foreign Citizens Act
- 47) Critics of the Foreign Corrupt Practices Act feared the loss of sales to foreign competitors, especially in those countries where
- A) customs are rigidly followed.
 - B) political stability exists.
 - C) common law is applicable.
 - D) bribery is an accepted way of doing business.
- 48) Since passage of the Foreign Corrupt Practices Act (FCPA), investigations reveal that
- A) U.S. exports to "bribe-prone" countries decreased significantly.
 - B) violations of FCPA have reduced the number of collateral civil actions.
 - C) the act allowed the courts to fine but not imprison guilty parties.
 - D) FCPA actions are increasingly targeting individual executives, not just corporations.
- 49) In the context of bureaucratization, which of the following statements is true of Japan?
- A) Government bureaucracy can create a false sense of security among Japanese businesses.
 - B) Politicians are more interested in the long-term well-being of the nation as a whole than in the well-being of their own districts.
 - C) Parochial actions are highly unlikely to create problems for multinational corporations trying to do business.
 - D) Local consumers are benefiting from the bureaucratic red tape, which has reduced the costs of goods and services.

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- 50) Many foreign governments applauded the investigations under the Foreign Corrupt Practices Act (FCPA) because it helped them
- A) crack down on corruption in their own country.
 - B) reduce internal political problems for U.S. allies.
 - C) reduce the risks associated with the derivatives activities of banks.
 - D) restrict the courts from fining and imprisoning corrupt parties.
- 51) Keith, a manager in the country of Bodonia, violates a Bodonian law while traveling abroad. He can still be found guilty in Bodonia. This scenario exemplifies_____.
- A) socialist law
 - B) Islamic law
 - C) the principle of sovereignty
 - D) the nationality principle
- 52) In the context of bureaucratization, Japanese businesses are becoming aware of the fact that
- A) they are heavily dependent on their local market for maximum number of goods and services.
 - B) local consumers are paying a heavy price due to the bureaucratic red tape.
 - C) government bureaucracy has created a true sense of security.
 - D) they are well prepared to face the harsh competitive realities of the international marketplace.
- 53) A firm in the country of Batangonia that sells secret government blueprints of the country of Cambria land for a satellite system can be subjected to the Cambria land laws. This scenario exemplifies_____.
- A) the nationality principle
 - B) the protective principle
 - C) socialist law
 - D) Islamic law
- 54) According to the 2020 World Bank Doing Business Report, which of the following countries has the lowest ranking on the ease-of-doing-business index (2020)?
- A) Somalia
 - B) Kazakhstan
 - C) the United Kingdom
 - D) Ireland

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- 55) A firm based in the country of Iskoolbia that sells a defective hair dryer in the country of Octavia can be sued under Octavian law even though the company is headquartered outside Octavia. This scenario exemplifies_____.
- A) socialist law
 - B) the nationality principle
 - C) the territoriality principle
 - D) Islamic law
- 56) In the context of the trends in technology, communication, and innovation, the creation of a digital framework
- A) made business communication vastly more expensive.
 - B) made the microprocessor obsolete.
 - C) allowed high-power computer performance at low cost.
 - D) required satellites for all forms of communication.
- 57) Which of the following is defined as the equipping of physical objects, such as cars, televisions, and buildings, with sensors, software, and network connectivity, allowing them to share information and data with each other?
- A) the Internet of Things
 - B) blockchain technology
 - C) encryption
 - D) assistive technology
- 58) The most popular form of e-business is for_____.
- A) B2B dealings
 - B) B2C dealings
 - C) financial dealings
 - D) e-retailing
- 59) In the area of e-business,_____ continues to have the biggest impact for customers.
- A) e-marketing
 - B) e-retailing and financial services
 - C) e-gold
 - D) Internet sales

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- 60) Facing international management, _____ is one of the most important dimensions of the technological environment.
- A) telecommunications
 - B) transportation
 - C) agricultural mechanization
 - D) encryption
- 61) Identify a correct statement about cellular infrastructure.
- A) It is expensive to install.
 - B) It is quick and relatively inexpensive to install.
 - C) It is relatively inexpensive to install but takes time.
 - D) It cannot be installed easily and cost-efficiently in rural areas.
- 62) In the context of telecommunications, governments are accepting the belief that the only way to attract foreign investment and know-how in telecommunications is to
- A) cede control to private industry.
 - B) get cheaper service providers.
 - C) get cheap and efficient labor.
 - D) get private partners.
- 63) Which of the following refers to the idea of using an open ledger to record transactions and ownership?
- A) the Internet of Things
 - B) blockchain technology
 - C) encryption
 - D) assistive technology
- 64) In the context of technological advancements, outsourcing, and offshoring, some informed observers note that technology already has eliminated much of the work done by
- A) top level management.
 - B) middle management and white-collar staff.
 - C) maintenance workers.
 - D) line employees and service staff.
- 65) Which of the following factors has placed pressure on multinational corporations to outsource or offshore production?
- A) mounting cost pressure
 - B) innovation and creativity
 - C) domestic competition and disputes
 - D) profit expectations by governments

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- 66) Machine learning is a subset of _____ in which computers and other devices learn, complete, and improve upon tasks they were never taught how to do.
- A) robotics
 - B) blockchain technology
 - C) Internet of Things
 - D) artificial intelligence
- 67) Emerging information technology has made work more _____.
- A) portable
 - B) static
 - C) tedious
 - D) complicated
- 68) In the context of technological advancements, outsourcing, and offshoring, multinational corporations have moved certain production activities overseas to capitalize on _____.
- A) increasing costs
 - B) cheap labor resources
 - C) larger markets
 - D) sophisticated technology
- 69) In the context of technological advancements, outsourcing, and offshoring, low-paid workers in India and other Asian countries now are being given subcontracted work such as _____.
- A) insurance jobs
 - B) cybersecurity jobs
 - C) labor-intensive hardware development jobs
 - D) code-writing jobs
- 70) In the context of technological advancements, outsourcing, and offshoring, identify an impact of the new technological environment on multinational corporations and societies as a whole.
- A) a decline in the cost of doing business worldwide
 - B) price rise due to the cost of equipment
 - C) increased job security for employees
 - D) replacement of machines by labor

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ESSAY. Write your answer in the space provided or on a separate sheet of paper.

- 71) Explain the political system of totalitarianism and identify its features and forms.
- 72) List the four foundations on which laws are based around the world, and briefly explain each foundation.
- 73) Discuss the three types of jurisdictional principles provided by international law.
- 74) Describe the Foreign Corrupt Practices Act (FCPA) and list its objectives.
- 75) What is biotechnology? Discuss some of the areas in which it has been used or is likely to be used.

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Answer Key

Test name: Chapter 02

1) FALSE

Individualism believes that people should be free to pursue economic and political endeavors without constraint. Collectivism, on the other hand, views the needs and goals of society at large as more important than individual desires.

2) FALSE

Fascism is an authoritarian political ideology that considers individual and other societal interests inferior to the needs of the state and seeks to forge a type of national unity, usually based on ethnic, religious, cultural, or racial attributes. Communism, however, is an extreme form of socialism that was realized through violent revolution and was committed to the idea of a worldwide communist state.

3) FALSE

Communism is an extreme form of socialism that was realized through violent revolution and was committed to the idea of a worldwide communist state. Fascism, on the other hand, is an authoritarian political ideology (generally tied to a mass movement) that considers individual and other societal interests inferior to the needs of the state and seeks to forge a type of national unity, usually based on ethnic, religious, cultural, or racial attributes.

4) FALSE

The nationalization of businesses is the transference of ownership of a business from individuals or groups of individuals to the government. Nationalism, on the other hand, is an ideal in and of itself whereby an individual is completely loyal to his or her nation.

5) TRUE

Essentially, every citizen should be involved in decision-making processes in a democratic system. The representative government ensures individual freedom since anyone who is eligible may have a voice in the choices made.

6) TRUE

The most common form of totalitarianism is communist totalitarianism. Most dictatorships under the communist party had disintegrated by 1989, aspects and degrees of this form of government are still found in Cuba, North Korea, Laos, Venezuela, Vietnam, and China.

7) TRUE

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Both domestic and international political environments have a major impact on multinational corporations.

8) FALSE

Collectivism emerged in Germany and Italy as "national socialism," or fascism.

9) TRUE

Socialism is a broad political movement, and forms of it are unstable. In modern times, it branched off into two extremes: communism and social democracy.

10) FALSE

A form of totalitarianism, sometimes referred to as "right-wing," allows for some economic but not political freedoms. While it directly opposes socialist and communist ideas, this form may gain power and support from the military, often in the form of a military leader imposing a government "for the good of the people."

11) FALSE

Common law comes from English law, and it is the foundation of the legal system in the United States, Canada, England, Australia, New Zealand, and other nations.

12) FALSE

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The doctrine of comity holds that there must be mutual respect for the laws, institutions, and governments of other countries in the matter of jurisdiction over their own citizens.

13) TRUE

The nationality principle is a jurisdictional principle of international law that holds that every country has jurisdiction over its citizens no matter where they are located. Therefore, a U.S. manager who violates the American Foreign Corrupt Practices Act while traveling abroad can be found guilty in the United States.

14) TRUE

The doctrine of comity holds that there must be mutual respect for the laws, institutions, and governments of other countries in the matter of jurisdiction over their own citizens. Although this doctrine is not part of international law, it is part of international custom and tradition.

15) TRUE

The Foreign Corrupt Practices Act (FCPA) is an act that makes it illegal to influence foreign officials through personal payment or political contributions. The objectives of the act were to stop U.S. multinational corporations from initiating or perpetuating corruption in foreign governments and to upgrade the image of both the United States and its businesses abroad.

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16) TRUE

The protective principle is a jurisdictional principle of international law which holds that every country has jurisdiction over behavior that adversely affects its national security, even if that conduct occurred outside the country. Therefore, a French firm that sells secret U.S. government blueprints for a satellite system can be subjected to U.S. laws.

17) TRUE

The territoriality principle is a jurisdictional principle of international law which holds that every nation has the right of jurisdiction within its legal territory. Therefore, a German firm that sells a defective product in England can be sued under English law, even though the company is headquartered outside England.

18) TRUE

A vast network of fiber-optic cables used for almost all transoceanic communication leads to a great deal of system vulnerability. In 2018, 10 west African countries experienced Internet and communication outages when a fishing boat damaged one cable off the coast of Mauritania.

19) FALSE

In the context of the trends in technology, concepts like the open-source model allow for free and legal sharing of software and code. This may be utilized by underdeveloped countries to gain competitive advantage while minimizing costs.

20) FALSE

Biotech companies attempt to discover genetic abnormalities or medicinal solutions through exploring organisms at the molecular level or by formulating compounds from inorganic materials that mirror organic substances. Pharmaceutical companies, on the other hand, mainly manufacture drugs through a process similar to that of organic chemistry.

21) D

Karl Marx believed that governments should own businesses because in a capitalistic society only a few would benefit, and it would probably be at the expense of others in the form of not paying wages due to laborers. He advocated a classless society where everything was essentially communal.

22) D

In the context of collectivism, the Greek philosopher Plato believed that individual rights should be sacrificed and property should be commonly owned. Also, he believed that classes should still exist and that the best suited should rule over the people.

23) D

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In a business context, individualism is synonymous with capitalism and is connected to a free-market society, which encourages diversity and competition, compounded with private ownership, to stimulate productivity.

24) C

The groundwork for the ideology of individualism was founded long ago. Philosophers such as David Hume (1711-1776), Adam Smith (1723-1790), and even Aristotle (384-322 BC) contributed to these principles.

25) A

Adopters of individualism adhere to the philosophy that people should be free to pursue economic and political endeavors without constraint. This means that government interest should not solely influence individual behavior. In a business context, this is synonymous with capitalism and is connected to a free-market society.

26) C

Corruption is one of the biggest problems in transition economies. The 2021 Corruption Perception Index from Transparency International ranked the five BRICS countries (Brazil, Russia, China, India and South Africa) at 86, 136, 66, 85, and 75 respectively.

27) A

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Social democracy refers to a socialist movement that achieved its goals through nonviolent revolution. While this system was pervasive in and had a great influence on such Western nations as Australia, France, Germany, Great Britain, Norway, Spain, and Sweden, as well as in India and Brazil at one time, in practice it was not as viable as anticipated.

28) A

Democracy refers to the system in which the government is controlled by the citizens either directly or through elections. Essentially, every citizen should be involved in decision-making processes.

29) A

Media censorship, political repression, and denial of rights and civil liberties are dominant ideals of totalitarianism.

30) D

Aspects and degrees of the communist totalitarianism form of government is still found in Cuba, North Korea, Laos, Vietnam, Venezuela, and China.

31) C

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Totalitarianism refers to a political system in which there is only one representative party, which exhibits control over every facet of political and human life. Power is often maintained by the suppression of opposition, which can be violent.

32) D

Social democracy refers to a socialist movement that achieved its goals through nonviolent revolution. This system was pervasive in such Western nations as Australia, France, Germany, Great Britain, Norway, Spain, and Sweden, as well as in India and Brazil. Businesses that were nationalized were quite inefficient due to the guarantee of funding and the monopolistic structure. Citizens suffered a hike in both taxes and prices, which was contrary to the public interest and the good of the people.

33) B

In the context of the four foundations on which laws are based around the world, civil or code law is derived from Roman law. It is found in the non-Islamic and nonsocialist countries such as France, some countries in Latin America, and even Louisiana in the United States.

34) D

In the context of the four foundations on which laws are based around the world, Islamic law is derived from interpretation of the Qur'an and the teachings of the Prophet Muhammad. It is found in most Islamic countries in the Middle East and Central Asia.

35) D

Common law comes from English law, and it is the foundation of the legal system in the United States, Canada, England, Australia, New Zealand, and other nations.

36) C

Civil law is derived from Roman law and is found in the non-Islamic and nonsocialist countries such as France, some countries in Latin America, and even Louisiana in the United States.

37) A

The principle of sovereignty holds that governments have the right to rule themselves as they see fit.

38) A

When compared with domestic law, international law is less coherent because it contains unwritten understandings that arise from repeated interactions among nations. Also, its sources embody not only the laws of individual countries concerned with any dispute but also treaties (universal, multilateral, or bilateral) and conventions (such as the Geneva Convention on Human Rights or the Vienna Convention of Diplomatic Security).

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39) B

The nationality principle holds that every country has jurisdiction (authority or power) over its citizens no matter where they are located.

40) C

The territoriality principle holds that every nation has the right of jurisdiction within its legal territory.

41) D

The protective principle holds that every country has jurisdiction over behavior that adversely affects its national security, even if that conduct occurred outside the country.

42) D

The doctrine of comity holds that there must be mutual respect for the laws, institutions, and governments of other countries in the matter of jurisdiction over their own citizens.

43) A

The principle of sovereignty implies that one country's court system cannot be used to rectify injustices or impose penalties in another country unless that country agrees. So, while U.S. laws require equality in the workplace for all employees, U.S. citizens who take a job in Germany cannot sue their German employer under the provisions of U.S. law for failure to provide equal opportunity for them.

44) A

Under the act of state doctrine, all acts of other governments are considered to be valid by U.S. courts, even if such acts are inappropriate in the United States.

45) C

In the context of the treatment and rights of aliens, countries have the legal right to refuse the admission of foreign citizens and to impose special restrictions on their conduct, their right of travel, where they can stay, and what business they may conduct.

46) B

The Foreign Corrupt Practices Act (FCPA) makes it illegal to influence foreign officials through personal payment or political contributions.

47) D

Critics of the FCPA feared the loss of sales to foreign competitors, especially in those countries where bribery is an accepted way of doing business.

48) D

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Since passage of the Foreign Corrupt Practices Act (FCPA), investigations reveal that FCPA actions are increasingly targeting individual executives along with corporations. Also, it was found that penalties imposed under the FCPA have skyrocketed and that violations have spurred a number of collateral civil actions.

49) A

Japanese businesses are becoming more aware of the fact that they are dependent on the world market for many goods and services and that when bureaucratic red tape drives up the costs of these purchases, local consumers pay the price. These businesses are also beginning to realize that government bureaucracy can create a false sense of security and leave them unprepared to face the harsh competitive realities of the international marketplace.

50) A

Many foreign governments applauded the investigations under the Foreign Corrupt Practices Act (FCPA) because it helped them crack down on corruption in their own country. This was an interesting development that occurred despite political sensitivity.

51) D

This scenario exemplifies the nationality principle. It holds that every country has jurisdiction (authority or power) over its citizens no matter where they are located. Thus, Bodonia has jurisdiction over Keith even when he violates a Bodonian law while traveling abroad.

52) B

Japanese businesses are becoming increasingly aware of the fact that they are dependent on the world market for many goods and services and that when bureaucratic red tape drives up the costs of these purchases, local consumers pay the price. These businesses are also beginning to realize that government bureaucracy can create a false sense of security and leave them unprepared to face the harsh competitive realities of the international marketplace.

53) B

This scenario exemplifies the protective principle. It holds that every country has jurisdiction over behavior that adversely affects its national security, even if that conduct occurred outside the country. The selling of secret government blueprints for a satellite system by a firm in the country of Batangonia affects the national security of Cambria land. Thus, the firm can be subjected to the Cambria land laws.

54) A

According to the 2020 World Bank Doing Business Report, Somalia has the lowest ranking (190) on the ease-of-doing-business index (2020). The United Kingdom, Ireland, and Kazakhstan rank 8, 24, and 25 respectively on the ease-of-doing-business index (2020).

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55) C

This scenario exemplifies the territoriality principle. It holds that every nation has the right of jurisdiction within its legal territory. Thus, the country of Octavia has the right of jurisdiction even when a firm based in the country of Iskoolbia sells a defective hair dryer within the Octavian territory.

56) C

In the context of the trends in technology, communication, and innovation, the creation of a digital framework allowed high-power computer performance at low cost.

57) A

The Internet of Things refers to the equipping of physical objects, such as cars, televisions, and buildings, with sensors, software, and network connectivity, allowing them to share information and data with each other. This technology is already used heavily in the automobile industry, where self-driving cars transmit data between other cars and the manufacturer.

58) A

The most popular form of e-business is for business-to-business (B2B) dealings.

59) B

In the area of e-business, e-retailing and financial services continues to have the biggest impact for customers. Customers can conduct business with retailers and entrepreneurs across the globe with just a mobile device and a credit card.

60) A

Telecommunications and the impact of mobile devices is one of the most important dimensions of the technological environment facing international management.

61) B

Global access to affordable cell phone services is resulting in a form of technological leapfrogging, in which regions of the world are moving from a situation where phones were completely unavailable to one where cell phones are available everywhere, including rural areas, due to the quick and relatively inexpensive installation of cellular infrastructure.

62) A

Governments are accepting the belief that the only way to attract foreign investment and know-how in telecommunications is to cede control to private industry.

63) B

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Blockchain technology, which is the idea of using an open ledger to record transactions and ownership, is perhaps best known today for its use in Bitcoin. However, blockchain technology is poised to transform the financial services industry, along with the entire concept of contracts and transactions of both financial assets and physical property.

64) B

In the context of technological advancements, outsourcing, and offshoring, some informed observers note that technology already has eliminated much of the work done by middle management and white-collar staff.

65) A

Mounting cost pressures resulting from increased globalization of competition and profit expectations expended by investors have placed pressure on multinational corporations to offshore or outsource production to take advantage of lower labor and other costs.

66) D

Machine learning, a subset of artificial intelligence (AI), is a concept that computers and other devices will be able to learn, complete, and improve upon tasks they were never taught how to do. Sectors such as health care, manufacturing, and retail will witness transformative changes due to AI.

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67) A

Emerging information technology has made work more portable.

68) B

In the context of technological advancements, outsourcing, and offshoring, multinational corporations have moved certain production activities overseas to capitalize on cheap labor resources.

69) D

In the context of technological advancements, outsourcing, and offshoring, low-paid workers in India and other Asian countries now are being given subcontracted work such as labor-intensive software development and code-writing jobs.

70) A

The new technological environment has both positive and negative impact on the multinational corporations and societies as a whole. The cost of doing business worldwide should decline, thanks to the opportunities that technology provides in substituting lower-cost machines for higher-priced labor.

71) Essay

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Totalitarianism refers to a political system in which there is only one representative party, which exhibits control over every facet of political and human life. Power is often maintained by the suppression of opposition, which can be violent in nature. Media censorship, political repression, and denial of rights and civil liberties are dominant ideals. If there is opposition to government, the response is imprisonment or even worse tactics, often torture. This may be used as a form of rehabilitation or simply a warning to others who may question the government.

The most common form of totalitarianism is communist totalitarianism. Other forms of totalitarianism exhibit some form of oppression as well. Parties or governments that govern an entity based on religious principles will ultimately oppress the religious and political expression of its citizens. One final form of totalitarianism, sometimes referred to as "right-wing," allows for some economic (but not political) freedoms. While it directly opposes socialist and communist ideas, this form of ruling may gain power and support from the military, often in the form of a military leader imposing a government "for the good of the people." This results in military officers filling most government positions.

72) Essay

The four foundations upon which laws are based around the world are as follows:

Islamic law, socialist law, common law, and civil or code law. Islamic law is derived from interpretation of the Qur'an and the teachings of the Prophet Mohammed. It is found in most Islamic countries in the Middle East and Central Asia. Socialist law comes from the Marxist socialist system and continues to influence regulations in former communist countries, especially those from the former Soviet Union, as well as present-day China, Vietnam, North Korea, and Cuba. Common law comes from English law and is the foundation of the legal system in the United States, Canada, England, Australia, New Zealand, and other nations. Civil or code law is derived from Roman law and is found in the non-Islamic and nonsocialist countries such as France, some countries in Latin America, and even Louisiana in the United States.

73) Essay

International law provides for three types of jurisdictional principles. The first is the nationality principle, which holds that every country has jurisdiction (authority or power) over its citizens no matter where they are located. Therefore, a U.S. manager who violates the American Foreign Corrupt Practices Act while traveling abroad can be found guilty in the United States. The second is the territoriality principle, which holds that every nation has the right of jurisdiction within its legal territory. Therefore, a German firm that sells a defective product in England can be sued under English law, even though the company is headquartered outside England. The third is the protective principle, which holds that every country has jurisdiction over behavior that adversely affects its national security, even if that conduct occurred outside the country. Therefore, a French firm that sells secret U.S. government blueprints for a satellite system can be subjected to U.S. laws.

74) Essay

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The Foreign Corrupt Practices Act (FCPA) makes it illegal to influence foreign officials through personal payment or political contributions. The objectives of the FCPA were to stop U.S. multinational corporations from initiating or perpetuating corruption in foreign governments and to upgrade the image of both the United States and its businesses abroad.

75) Essay

Biotechnology is the integration of science and technology, but more specifically it is the creation of agricultural and medical products through industrial use and manipulation of living organisms.

One area in which it has been used is medicine. While pharmaceutical companies mainly manufacture drugs through a process similar to that of organic chemistry, biotech companies attempt to discover genetic abnormalities or medicinal solutions through exploring organisms at the molecular level or formulating compounds from inorganic materials that mirror organic substances.

Another aspect of biotech research is geared toward agriculture. In the United States and Brazil, ethanol production has increased substantially, with corn and sugarcane serving as feedstock. Automobile gasoline in Brazil is mandated to consist of nearly 25 percent ethanol, and blended gasoline is encouraged in the United States through tax subsidies. However, some have raised concerns regarding increased food prices caused by using sugarcane and corn as fuel alternatives. For this and many other reasons, global companies like Bayer AG and BASF AG have invested in agricultural biotechnology to create genetically modified seeds such as drought-tolerant corn and herbicide-tolerant soybeans. Advancements in this industry include nutritionally advanced crops that may help alleviate world hunger.

Aside from crops, the meat industry can also benefit from biotechnology. The outbreak of mad cow disease, which affected close to 200,000 cows in the United Kingdom, sparked concern when evidence of the disease spread throughout Western Europe; however, researchers in the United States and Japan bio-engineered a solution to the problem by eliminating the gene that is the predecessor to making the animal susceptible to this ailment. Today, mad cow disease is nearly eradicated. Another biotechnological advancement, "cultured meat," could radically change the way that meat products are produced. Cultured meat refers to authentic meat products that are grown in a lab, using animal stem cells. Although the technology is still in its infancy, cultured meat could provide a more environmentally friendly, widely available, and safer alternative to farm-grown livestock. Hunger and poor health care are worldwide issues, and advancement in global biotechnology is working to raise the standards.