International Business 1

Question 1.
The degree of mobility of factors of production like labour and capital is relatively more within in _____
(a) Domestic Business
(b) International business
(c) Both Domestic and International business
(d) None of the above

▼ Answer

Answer: (a) Domestic Business

Question 2.
Foreign investment can be of two types
(a) Domestic and International investment
(b) Direct and Portfolio
(c) Licencing and Franchising
(d) Direct and Franchising

▼ Answer

Answer: (b) Direct and Portfolio

Question 3.
Which of the following document is prepared by the exporter and includes details of the cargo in terms of the shipper's name, the number of packages, the shipping bill, port of destination, name of the vehicle carrying the cargo?
(a) Shipping bill
(b) Mate's receipt
(c) Packaging list
(d) Bill of exchange

▼ Answer

Answer: (a) Shipping bill

Question 4.
Which one of the following modes of entry requires a higher level of risks?
(a) Licensing
(b) Contract manufacturing
(c) Franchising
(d) Joint venture

▼ Answer

Answer: (d) Joint venture

Question 5.
The method of obtaining payment from the importer is:
(a) By getting a bill of exchange
(b) By getting a Letter of Credit
(c) By Foreign Draft
(d) All of the above

▼ Answer

Answer: (d) All of the above

Question 6.
Which of the following documents are not required for obtaining an export license?
(a) IEC number
(b) Registration cum membership certificate
(c) Letter of credit
(d) Bank account number

▼ Answer

Answer: (c) Letter of credit

Question 7.
Which of the following documents is not required in connection with an import transaction?
(a) Certificate of origin
(b) Bill of lading
(c) Shipping bill
(d) Shipment advice

▼ Answer

Answer: (c) Shipping bill

Question 8.
W.T.O is the only organization dealing with the:
(a) Home trade rules
(b) Entrepot trade rules
(c) Global trade rules
(d) None of the above

▼ Answer

Answer: (c) Global trade rules

Question 9.
Import trade procedure starts with
(a) Obtaining quota
(b) Arranging L.C
(c) Trade enquiry
(d) Placing Indent

Answer: (b) Trade enquiry

Question 10.
When two or more firms come together to create a new business entity that is legally separate and distinct from its parents it is known as
(a) Franchising
(b) Contract manufacturing
(c) Joint Ventures
(d) Licensing

Answer: (c) Joint Ventures

Question 11.
Which one of the following is not amongst India's major trading partners?
(a) Germany
(b) New Zealand
(c) the UK
(d) the USA

Answer: (b) New Zealand

Question 12.
A receipt issued by the commanding officer of the ship when the cargo is loaded on the ship is known as
(a) Cargo receipt
(b) Mate receipt
(c) Shipping receipt
(d) Charter receipt

Answer: (b) Mate receipt

Question 13.
Which one of the following is not a document related to fulfilling the customs formalities
(a) Letter of insurance
(b) Shipping bill
(c) Export license
(d) Proforma invoice

Answer: (d) Proforma invoice

Question 14.
Which one of the following is not a part of export documents?
(a) Commercial invoice
(b) Mate's receipt
(c) Certificate of origin
(d) Bill of entry

▼ Answer

Answer: (d) Bill of entry

Question 15.
The document containing the guarantee of a bank to honour drafts drawn on it by an exporter is
(a) Letter of hypothecation
(b) Letter of credit
(c) Bill of exchange
(d) Bill of lading

▼ Answer

Answer: (b) Letter of credit

Question 16.
In which of the following modes of entry, does the domestic manufacturer give the right to use intellectual property such as patent and trademark to a manufacturer in a foreign country for a fee
(a) Joint venture
(b) Licensing
(c) Contract manufacturing
(d) None of the above

▼ Answer

Answer: (b) Licensing