MULTIPLE CHOICE TESTS

INTERNATIONAL ECONOMICS

1. A foreign direct investment actor is represented by:

a) the government;
b) transnational private enterprises;
c) subsidiaries of transnational companies;
d) IMF;
e) The World Bank.

2. The organizations in the UNO system use the following term:

a) multinational company;
b) transnational society;
c) transnational company;
d) multinational company;
e) transnational corporation.

3. According to S. E. Rolfe, an enterprise has an international calling when its assets in the form of foreign stakes exceed:

a) 25%;
b) 20%;
c) 30%;
d) 50%:
e) 51%.

4. According to H. Bonin, an enterprise has an international calling when its assets in the form of foreign stakes exceed:

a) 25%;
b) 20%;
c) 30%;
d) 50%:
e) 51%.

5. The relay subsidiaries of transnational companies:

a) distribute products manufactured elsewhere;
b) produce the components of a final product for which domestic demand is low or inexistent;
c) process raw materials and convert them into semi-finished products;
d) produce and sell on local markets the goods belonging to the range of products already existing in the home country of the parent company;
e) devise the marketing strategy for the parent company.

6. The workshop subsidiaries of transnational companies:

a) distribute products manufactured elsewhere;
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c) process raw materials and convert them into semi-finished products;

d) produce and sell on local markets the goods belonging to the range of products already existing in the home country of the parent company;
e) devise the marketing strategy for the parent company.

7. The basis for the international growth of companies lies in:
a) prior knowledge of the international market most often obtained by import;
b) lack of available resources to finance this growth;
c) the existence of real or potential outlets in several countries, these being the growth reserve of the company;
d) decreased productivity;
e) the desire to conquer new markets.

8. Which statement is not one of the four successive ways of expansion:
a) the supply strategy and upstream vertical integration;
b) the market strategy and downstream vertical integration;
c) the strategy of industrial rationalization and horizontal integration;
d) strategy of supplying internal factors;
e) the technical-financial strategy and conglomerate diversification.

9. In certain domains, such as the chemical one, transport costs are between:
a) 15-25%;
b) 5-10%;
c) 25-35%;
d) 40-60%;
e) 60-75%.

10. Primary companies:
a) operate in research and development;
b) step into high technology domains;
c) operate as subsidiaries of certain parent comapnies;
d) are the strongest in their domain of activity;
e) step into the mining, oil or agricultural sectors.

11. The autonomy left to subsidiary directors is generally lower in terms of:
a) selection of investments to be made;
b) staff training;
c) staff employment;
d) overtime;
e) job restructuring.

12. The autonomy left to subsidiary directors is generally higher in terms of:
a) increase of capital;
b) dividents and royalties;
c) staff payment;
d) new market penetration;
e) supplier selection.

13. The autonomy left to subsidiary directors is generally moderate in terms of:
a) use of the subsidiary self-financing margin;
b) financial plan;
c) loan from local banks;
d) capacity and volume of production;

e) staff dismissal.

14. Which are the factors that influence the control of foreign subsidiaries?
a) the size of the multinational company;
b) its form of organization;
c) its national origin;
d) its capital;
e) the risks of the home country.

15. An enterprise decides to invest abroad because:
a) it expects a higher profit for the same value of investment;
b) it expects a lower profit for the same value of investment;
c) it can no longer face domestic competition;
d) it lacks the workforce in the home country;
e) it lacks raw materials in the home country.

16. The following is considered a reason to invest abroad:
a) the company chooses to implant raw material production areas to increase their transport costs;
b) the company capitalizes on international differences in terms of costs and sets up in regions where production factor prices are the lowest;
c) the company localizes production in regions where demand is high to overcome state protectionist barriers;
d) the company localizes production in regions with a high risk;
e) the desire to be internationally known.

17. According to the theory of market imperfections, foreign direct investments are determined by**:**
a) existance of a perfect market structure;
b) lack of market failures;
c) difference in the profit rate between different markets as a result of the imbalance in the factor market or in the financial-currency market;
d) lack of government intervention;
e) approximatelt equal labor costs.

18. Why does the company prefer to become internalized, that is to integrate all its functions from supply to marketing into its organization?
a) because the international factor market is perfect;
b) because the international goods market is perfect;
c) because the international goods and factor market is perfect;
d) because the international goods and factor market is imperfect and therefore bears “transaction costs”;
e) because it cannot become internationalized.

19. The theory of internalization was founded by:
a) Buckley and Casson;
b) Vernon;
c) Graham;
d) Caves;
e) Samuelson.

20. The “eclectic paradigm” was developed by:

a) Vernon;
b) Caves;
c) Graham;
d) Casson;
e) Dunning.

21. According to the eclectic theory, the grounds for the internationalization of production lie with:
a) ownership advantages;
b) cost advantages;
c) quality advantages;
d) resource advantages;
e) factor advantages.

22. According to the eclectic theory, the grounds for the internationalization of production lie with:
a) internalizing avantages;
b) cost advantages;
c) quality advantages;
d) resource advantages;
e) factor advantages.

23. According to the eclectic theory, the grounds for the internationalization of production lie with:
a) localization advantages;
b) cost advantages;
c) quality advantages;
d) resource advantages;
e) factor advantages.

24. According to Dunning's view, the ownership advantages are also:
a) cost advantages;
b) competitivity advantages;
c) quality advantages;
d) resource advantages;
e) factor advantages.

25. By resorting to internalization, through the development of productive assets abroad, companies are aiming to:
a) increase production costs;
b) increase transaction costs;
c) minimize net benefits;
d) gain minimum economic revenue;
e) maximize net benefits.

26. Localization variables include:
a) company strategy;
b) the marketing policy of the company;
c) domestic competition environment;
d) links between the economic branches;
e) the supply of natural resources and created economic resources.

27. Localization variables include:

a) company strategy;
b) the marketing policy of the company;
c) domestic competition environment;
d) the skill of the workforce and the productivity of labour;
e) links between the economic branches.

28. Localization variables include:

a) company strategy;
b) the marketing policy of the company;
c) international transport and communication costs, investment or trade barriers and incentives;
d) domestic competition environment;
e) links between the economic branches.

29. Localization variables include:

a) company strategy;
b) the economic system and economic policy;
c) the marketing policy of the company;
d) domestic competition environment;
e) links between the economic branches.

30. Localization variables include:

a) company strategy;
b) the political, social, cultural and educational differences between countries;
c) the marketing policy of the company;
d) domestic competition environment;
e) links between the economic branches.

31. Along the first half of the nineteenth century, the only country that has actually invested abroad iwas:

a) France;
b) Germany;
c) Italy;
d) Great Britain;
e) U.S.A.

32. Before the First World War, Germany promoted a trade expansion policy through far-reaching operations in:

a) India;
b) Argentina;
c) Brazil;
d) Congo;
e) African countries.

33. Before the First World War, Belgium promoted a trade expansion policy through far-reaching operations in:

a) Argentina;
b) Brazil;
c) Congo;
d) Mexic;
e) Turkey.

34. The development priorities for developing countries include achieving sustained national income growth by:

a) decreasing investment rates;
b) increasing investment rates;
c) decreasing exports;
d) increasing imports;
e) strengthening the exchange rate.

35. The development priorities for developing countries include achieving sustained national income growth by:

a) decreasing investment rates;
b) enhancing technology capacities;
c) decreasing exports;
d) increasing imports;
e) strengthening the exchange rate.

36. The development priorities for developing countries include achieving sustained national income growth by:

a) decreasing investment rates;
b) improving the competitiveness of their own exports on the international market;
c) decreasing exports;
d) increasing imports;
e) strengthening the exchange rate.

37. The development priorities for developing countries include achieving sustained national income growth by:

a) decreasing investment rates;
b) fair distribution of growth benefits by creating new opportunities for employment;
c) decreasing exports;
d) increasing imports;
e) strengthening the exchange rate.

38. The development priorities for developing countries include achieving sustained national income growth by:

a) decreasing investment rates;
b) protection and preservation of the environment;
c) decreasing exports;
d) increasing imports;
e) strengthening the exchange rate.

39. Which country relied heavily on the foreign direct investment flows to integrate its economy into the multinational companies' production networks and to promote their competitiveness within these networks?

a) South Korea;
b) Taiwan;
c) Malayesia;
d) India;
e) Brazil.

40. Which country relied heavily on the foreign direct investment flows to integrate its economy into the multinational companies' production networks and to promote their competitiveness within these networks?

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b) Taiwan;
c) Singapore;
d) India;
e) Brazil.

41. Which country relied heavily on the foreign direct investment flows to integrate its economy into the multinational companies' production networks and to promote their competitiveness within these networks?

a) South Korea;
b) Taiwan;
c) Thailand;
d) India;
e) Brazil.

42. Which country pursued the development of local enterprises and the creation of autonomous innovation capacities, with the multinational companies being designed as a source of technology?

a) South Korea;
b) Singapore;
c) Thailand;
d) Malayesia;
e) India.

43. Which country pursued the development of local enterprises and the creation of autonomous innovation capacities, with the multinational companies being designed as a source of technology?

a) Taiwan;
b) Singapore;
c) Thailanda;
d) Malayesia;
e) India.

44. At the level of the national economy, the financial-monetary decision is made in the form of:

a) the current account;
b) the capital account;
c) the balance of external payments;
d) the income balance;
e) the unilateral transfer balance.

45. The following are not residents:

a) national economic agents who live and carry out activities, usually and permanently, within a country;
b) embassies;
c) foreign economic agents who live and carry out activities, usually and permanently, within a country;
d) natural persons who live and carry out activities, usually and permanently, within a country;

e) legal persons who live and carry out activities, usually and permanently, within a country.

46. The following are not residents:

a) national economic agents who live and carry out activities, usually and permanently, within a country;
b) consulates;
c) foreign economic agents who live and carry out activities, usually and permanently, within a country;
d) natural persons who live and carry out activities, usually and permanently, within a country;
e) legal persons who live and carry out activities, usually and permanently, within a country.

47. The following are not residents:

a) national economic agents who live and carry out activities, usually and permanently, within a country;
b) international institutions;
c) foreign economic agents who live and carry out activities, usually and permanently, within a country;
d) natural persons who live and carry out activities, usually and permanently, within a country;
e) legal persons who live and carry out activities, usually and permanently, within a country.

48. The following are not residents:

a) national economic agents who live and carry out activities, usually and permanently, within a country;
b) international institutions representatives;
c) foreign economic agents who live and carry out activities, usually and permanently, within a country;
d) natural persons who live and carry out activities, usually and permanently, within a country;
e) legal persons who live and carry out activities, usually and permanently, within a country.

49. The trade balance of a country is represented by:

a) the difference between imports and exports;
b) the total imporrs and exports;
c) the report between imports and exports;
d) the difference between income and expenditure;
e) the report between income and expenditure.

50. In customs statistics, exports are registered at which value:

a) CIF;
b) FOB;
c) DDP;
d) CPT;
e) EXW.

51. Reserve assets are represented by:

a) Guaranteed external credits;

b) Direct investments;
c) SDR;
d) gold;
e) portfolio investments.

52. When there is a chronic imbalance in the trade balance (more imports than exports), it can theoretically be reduced by means of a package of tax measures:
a) decrease of customs duties;
b) increase of customs duties;
c) subsidies;
d) stimulating exports;
e) stimulating imports.

53. When there is a chronic imbalance in the trade balance (more imports than exports), it can theoretically be reduced by means of a package of tax measures:
a) decrease of customs duties;
b) preferential credits;
c) subsidies;
d) stimulating exports;
e) stimulating imports.

54. An endogenous factor that destabilizes the balance of external payments is:
a) the destabilizing of world prices for products with a high share in the structure of foreign trade;
b) the commercial policy of other states (both tariff and non-tariff);
c) insufficient coverage of domestic demand (reduction of exports);
d) significant reduction in exports due to natural disasters or fortuitous events (revolutions, civil wars);
e) the destabilizing of the commercial flows in an area as a result of international conflicts / commercial disputes.

55. An endogenous factor that destabilizes the balance of external payments is:
a) the destabilizing of world prices for products with a high share in the structure of foreign trade;
b) decreasing the external competitiveness of domestic products (low quality, high prices);
c) lack of real competitive (comparative) advantages;
d) increasing imports amid domestic demand increase;
e) the destabilizing of the commercial flows in an area as a result of international conflicts / commercial disputes.

56. An endogenous factor that destabilizes the balance of external payments is:
a) inefficient business policy (tariff / non-tariff);
b) the commercial policy of other states (both tariff and non-tariff);
c) lack of real competitive (comparative) advantages;
d) insufficient coverage of domestic demand (reduction of exports);
e) the destabilizing of the commercial flows in an area as a result of international conflicts / commercial disputes.

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a) the destabilizing of world prices for products with a high share in the structure of foreign trade;
b) the commercial policy of other states (both tariff and non-tariff);

c) lack of real competitive (comparative) advantages;
d) decreasing the external competitiveness of domestic products (low quality, high prices);
e) insufficient coverage of domestic demand (reduction of exports).

58. An endogenous factor that destabilizes the balance of external payments is:

a) the destabilizing of world prices for products with a high share in the structure of foreign trade;
b) the commercial policy of other states (both tariff and non-tariff);
c) insufficient promotion / stimulation of exports;
d) scăderea gradului de prelucrare al exporturilor;
e) the destabilizing of the commercial flows in an area as a result of international conflicts / commercial disputes.

59. An endogenous factor that destabilizes the balance of external payments is:

a) the destabilizing of world prices for products with a high share in the structure of foreign trade;
b) inefficient business policy (tariff / non-tariff);
c) lack of real competitive (comparative) advantages;
d) deteriorarea climatului de afaceri intern;
e) the destabilizing of the commercial flows in an area as a result of international conflicts / commercial disputes.

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a) the destabilizing of world prices for products with a high share in the structure of foreign trade;
b) increasing imports amid domestic demand increase;
c) lack of real competitive (comparative) advantages;
d) insufficient promotion / stimulation of exports;
e) the destabilizing of the commercial flows in an area as a result of international conflicts / commercial disputes.

ANSWER SHEET

INTERNATIONAL ECONOMICS

1.	B	11.	A	21.	A	31.	D	41.	C	51.	C,D
2.	C	12.	C	22.	A	32.	C	42.	A	52.	B,C
3.	A	13.	D	23.	A	33.	C	43.	A	53.	B,C
4.	B	14.	E	24.	B	34.	B	44.	C	54.	B,C
5.	D	15.	A	25.	E	35.	B	45.	B	55.	B,D
6.	B	16.	B	26.	E	36.	B	46.	B	56.	A,D
7.	C	17.	C	27.	D	37.	B	47.	B	57.	D,E
8.	D	18.	D	28.	C	38.	B	48.	B	58.	C,D
9.	A	19.	A	29.	B	39.	C	49.	A	59.	B,D
10.	E	20.	E	30.	B	40.	C	50.	B	60.	B,D