

Student: _____

1. Yesterday's competitive market battles were fought in Western Europe, Canada, Australia and New Zealand, Japan, and the United States; today's competitive battles will extend to Latin America, Eastern Europe, Russia, India, China, and other nations in the Pacific Rim.
True False
2. The creation of the World Trade Organization (WTO) provides a positive force pushing for free trade among nations
True False
3. Free trade relates to the conditions of market participation: preferred access to country markets, preferred access in procurement (government and private), respect for property rights, transparency in legal systems, and the elimination of trade barriers.
True False
4. A key tenet of fair trade is maximizing the likelihood that trade will enhance the ability of local citizens to earn a living wage, conduct work in safe and healthy conditions, and remain independent from external governments and private organizations in developing their livelihoods.
True False
5. At no time in modern economic history have countries been more economically interdependent, had greater opportunities for international trade, or had the potential for increased demand than now, at the opening of the twenty-first century.
True False
6. At no time in modern economic history have countries been more economically independent.
True False
7. The first half of the twentieth century was marred by a major worldwide economic depression that occurred between two world wars and all but destroyed most of the industrialized world.
True False
8. International trade ground to a halt following World War I when several nations raised average tariffs on imported goods to levels in excess of 60 percent.
True False
9. One of the contributing causes of the Great Depression was that trade all but dried up after tariffs and other trade barriers were raised to intolerable heights.
True False
10. According to the text, the unprecedented and precipitous growth of the North American economies in the late 1990s has increased dramatically in the last few years.
True False
11. Companies are looking for ways to become more efficient, improve productivity, and expand their global reach while maintaining an ability to respond quickly to market demands.
True False
12. International trade brings peace.
True False
13. The average number of people killed every month due to armed conflict around the world has dropped from 38,000 in 1950 to about 600 today.
True False

14. Not all member countries have equal representation in the WTO.
True False
15. Although the WTO has no actual means of enforcement, international pressure to comply with WTO decisions from other member countries is expected to force compliance.
True False
16. The International Monetary Fund and the World Bank are two global institutions created to monitor nations from becoming too wealthy
True False
17. The objectives of the International Monetary Fund (IMF) are the stabilization of foreign exchange rates and the establishment of freely convertible currencies to facilitate the expansion and balanced growth of international trade.
True False
18. China has applied safety and quality inspection requirements imported goods as jigsaw puzzles.
True False
19. The United Nations does provide a forum not only for venting frustrations but also for bringing nations together to address a variety of crises.
True False
20. UNICEF and the World Health Organizations (WHO) are two examples of agencies within the United Nations.
True False
21. If a marketer is to interpret a culture's behaviour and attitudes, it is essential to have some idea of that country's history and geography.
True False
22. Protest groups, some with responsible intent like Greenpeace for example, have not affected changes in policy.
True False
23. Historical events are always viewed from someone's standpoint. Events are viewed or filtered through one's own self-reference criterion (SRC).
True False
24. A fundamental premise of Japanese ideology is to negotiate with those who apply outside pressures that may threaten the collective good.
True False
25. Geography is the study of the earth's surface, climate, continents, countries resources, and also its people and industries.
True False
26. Geography is an uncontrollable element.
True False
27. The International Monetary Fund (IMF) was created to serve as a watchdog over most international financial transactions between nations.
True False
28. An International Monetary Fund device, special drawing rights (SDR), is in effect "paper gold."
True False
29. Population size is significant in assessing potential consumer markets.
True False

30. The migration from rural to urban areas is largely the result of a desire for greater access to sources of education, health care, and improved job opportunities.
True False
31. Estimates are that 40 percent of the world's population, 2.5 billion people, will be without clean water if more is not invested in water resources.
True False
32. The creation of the World Trade Organization (WTO) provides a positive force pushing for _____ among nations.
A. fair trade
B. controlled trade
C. free trade
D. secured trade
E. none of these answers is correct
33. Free trade relates to all of the following conditions of market participation, EXCEPT:
A. equal access to country markets
B. non-discrimination in procurement
C. respect for property rights
D. transparency in legal systems
E. all of the above relate to Free Trade
34. The unprecedented growth of the North American economy slowed dramatically in the new millennium. The rest of the world has followed suit except for one major country. What is the country that has been able to maintain a steady growth rate?
A. Japan
B. China
C. Germany
D. France
E. Australia
35. A major study by researchers at the Liu Institute for Global Issues at the University of British Columbia traced a variety of indicators for all forms of political violence except terrorism. They found that:
A. all acts of political violence had declined by 40 percent since the early 1990's.
B. the average number of people killed every month due to armed conflict around the world had dropped.
C. not withstanding Rwanda and other catastrophes, the total number of genocides dropped by 80 percent since 1988.
D. All of these answers are correct
E. None of these answers is correct.
36. A major study by researchers at the Liu Institute for Global Issues at the University of British Columbia traced a variety of indicators for all forms of political violence except terrorism. They found:
A. that trade does not bring peace.
B. evidence to support the conclusion that trade does bring peace.
C. that the world is becoming a more violent place.
D. that increased trade often encourages violence.
E. None of these answers is correct.
37. A major study by researchers at the Liu Institute for Global Issues at the University of British Columbia traced a variety of indicators for all forms of political violence except terrorism. They found:
A. This is the longest period in history without any war among major powers
B. Terrorist acts are increasing at an alarming rate
C. The proliferation of nuclear weapons within Afghanistan is a major threat
D. There are weapons of mass destruction in Iraq
E. Pollution in the environment is a larger threat to humanity.

38. Foreign direct investment (FDI) is a _____ to trade.
- A. corollary
 - B. fundamental requirement
 - C. lagging indicator
 - D. all of these answers are correct
 - E. none of these answers is correct
39. Since GATT's inception there have been _____ of intergovernmental tariff negotiations.
- A. five "rounds"
 - B. six "rounds"
 - C. seven "rounds"
 - D. eight "rounds"
 - E. None of these answers is correct
40. The WTO is a(n) _____, not an agreement as is the GATT.
- A. consortium
 - B. institution
 - C. services contract
 - D. credit account
 - E. None of these is correct
41. The **WTO** is an organization that issues
- A. binding decisions
 - B. Penalties and sanctions against unfriendly nations
 - C. Recommendations relating to investment and travel
 - D. Warnings regarding the trade in endangered species
 - E. Licenses for the trade in endangered species.
42. The WTO provides
- A. Basic nutrition guidelines for each county in the world, based upon the local foods available
 - B. a permanent, comprehensive forum to address the trade issues.
 - C. A listing of the 10 most wanted fugitives by country and by region
 - D. A judge and jury as part of its mandate as the world civil and criminal court
 - E. Food and humanitarian aid to disaster victims around the world.
43. The WTO
- A. Has an international police force, and jails in every developed country to force compliance with their decisions
 - B. Works with local and national law enforcement to force compliance with their decisions
 - C. Works with the United States department of Homeland Security to force compliance with their decisions
 - D. Has no actual means of enforcement to force compliance with their decisions
 - E. Has to have their decisions ratified by the UN Security Council in order to force compliance with their decisions
44. _____ are becoming a favourite way for nations to impose duties, under the justification that a foreign company is selling at unfair prices.
- A. Unfair pricing tariffs
 - B. Antidumping fines
 - C. Antidumping duties
 - D. Tariffs
 - E. None of these is correct

45. The International Monetary Fund (IMF) was formed to help overcome which of the following problems of global trade?
- A. Blockage and Protectionism
 - B. Trade Refusal and Blockage
 - C. Unstable Currencies and Blockage
 - D. Inadequate Monetary Reserves and Trade Refusal
 - E. Inadequate Monetary Reserves and Unstable Currencies
46. To cope with the universally floating exchange rates, the _____ developed special drawing rights (SDRs), one of its more useful inventions.
- A. GATT
 - B. United Nations
 - C. International Monetary Fund
 - D. World Court
 - E. World Bank
47. To cope with _____, the International Monetary Fund (IMF) developed special drawing rights (SDRs), one of its more useful inventions.
- A. the decline of infant industries
 - B. universally floating exchange rates
 - C. fixed exchange rates
 - D. the need to keep money at home
 - E. All of these are correct
48. To cope with universally floating exchange rates, the International Monetary Fund (IMF), developed _____, one of its more useful inventions.
- A. a fixed system of currency exchange
 - B. a floating system of currency exchange
 - C. universally accepted rating system
 - D. special drawing rights
 - E. special exchange rights
49. Although much has changed in the world's monetary system since the IMF was first established, it still plays an important role in providing
- A. Economic leadership to third world countries
 - B. A market mechanism for the exchange of goods and services from developing countries
 - C. short-term financing to governments struggling to pay current-account debts.
 - D. Infrastructure funding for UN approved projects
 - E. All of the above
50. The World Bank has as its goal:
- A. the stabilization of currencies.
 - B. the supply of adequate monetary reserves.
 - C. the reduction of poverty and the improvement of living standards.
 - D. the stabilization of exchange rates
 - E. None of these is correct.

51. The IMF has been heavily criticized for its ideological leanings and interventionist practices in recent years. Criticisms by both prominent and influential detractors and an army of antiglobalization critics include that the organization has become derailed from its primary responsibilities and has become a strong exponent of "free market" ideology. It is claimed that market-based approaches to resolving financial instability in developing economies have worsened the plight of a number of countries. Critics suggest that, instead of attempting to erect the "ideal" economic system based on principles of perfect competition, efforts may be better spent:
- A. working within the institutional structures that are native to the countries involved.
 - B. Routing out government inefficiencies
 - C. Eliminating corruption
 - D. Paying off national debt
 - E. Paying off foreign debt
52. The _____ is frequently ridiculed by many as a bureaucracy that works for no one but itself, or for having reacted too soon or too late or too harshly or too softly to a crisis, or for serving as little more than a forum where politicians and countries from the developing world can vent their frustrations against "the West."
- A. World Bank
 - B. International Monetary Fund (IMF)
 - C. World Trade Organization (WTO)
 - D. United Nations (UN)
 - E. World Health Organization (WHO)
53. The _____ is the largest global organization, with almost 200 members.
- A. World Health Organization (WHO)
 - B. World Trade Organization (WTO)
 - C. World Bank
 - D. United Nations (UN)
 - E. None of these is correct.
54. The basic complaint against the WTO, IMF, and others is the:
- A. general rise in oil consumption as the result of development.
 - B. amount of bureaucracy needed to make decisions.
 - C. amalgam of untended consequences of globalization such as environmental concerns.
 - D. decline of old fashion negotiations.
 - E. need to create enforcement solutions.
55. If a marketer is to interpret a culture's behavior and attitudes, it is essential to have some idea of
- A. that country's history and geography.
 - B. that country's arts and sciences
 - C. that country's national holidays
 - D. cultural anthropology
 - E. that country's language and national symbols
56. The vast majority of Canadian retailers who ever ventured into the U.S. market have failed because
- A the spirit of innovativeness, entrepreneurship, and aggressive competitiveness makes the U.S. retail . market by far the most cut-throat competitive sector on the planet.
 - B Canadians are a friendly and cooperative lot who are skilled negotiators and make good business . partners, but they are not as cut throat as Americans
 - C. Canadian products and services do not adapt well to the us marketplace
 - D. American red tape and resistance was used to disadvantage Canadian retailers in the US
 - E. A and B

57. Why did Mexico's former dictator, General Porfirio D'az, lament, "Poor Mexico, so far from God, so near the United States"?
- A. Because Mexicans have a strong dislike of all things American
 - B. Because Mexicans see the United States as much too powerful.
 - C. Because Mexicans resent Americans buying property in Mexico
 - D. Because Mexicans see the United States as a threat to their political, economic, and cultural independence.
 - E. B and D
58. Because the sun does not shine regularly in Germany or in Scandinavia, washing machines must feature a minimum spin cycle of 1,000 rpm and a maximum approaching 1,600 rpm. In Italy and Spain however,
- A. clothes can be damp since the spin cycles are required by law to be at least 2000 rpm.
 - B. clothes can be damp since the abundant sunshine is sufficient to make a spin cycle speed of 500 rpm possible.
 - C. clothes must be nearly dry as electrical costs make clothes dryers a rare luxury
 - D. clothes are hand washed by most people and then hung outside to dry
 - E. none of the above, there is no difference amongst country's of the EU
59. In Colombia, mountain ranges are a major barrier to travel. The airtime from Bogotá to Medellín, the country's second-largest city, is 30 minutes; by highway, the same trip
- A. is impossible
 - B. takes 2 hours
 - C. takes 6 hours
 - D. takes 10 to 12 hours
 - E. Mountain ranges are not a barrier to travel in Columbia
60. The year 1965 is notable because it was the year that:
- A. the Berlin wall was erected.
 - B. the gold standard was abandoned.
 - C. Toronto's CN Tower became the world's tallest freestanding structure.
 - D. Canada and the U.S. signed the AutoPact agreement that liberalized cross-border trade in the auto industries.
 - E. the Canadian government officially adopted a policy of multiculturalism.
61. According to the text, of all energy sources, oil and gas contribute more than _____ of world energy consumption.
- A. 95 percent
 - B. 90 percent
 - C. 80 percent
 - D. 70 percent
 - E. 60 percent
62. Petroleum-related products dominate energy usage. Which of the following regions consumes the most petroleum-related fuel?
- A. North America
 - B. South America
 - C. Africa
 - D. Eastern Europe
 - E. Industrialized Asia

63. Population size is an important variable for the determination of demand for various categories of goods. More important than mere size as an indicator of future demand are change(s) in _____ of populations both within and across the world's counties.
- A. age
 - B. income
 - C. marital status
 - D. composition and distribution
 - E. None of these answers is correct.
64. According to the text, 84 percent of the world's population will be concentrated in _____ by 2025 and, if growth rates continue, that figure will be 86 percent by 2050.
- A. North America
 - B. South America
 - C. developed regions of the world
 - D. less-developed regions of the world
 - E. None of these answers is correct
65. In the early 1800s, fewer than 3.5 percent of the world's people were living in cities of 20,000 or more. Today, more than 40 percent of the world's people are urbanites. Moving forward, this trend:
- A. is expected to reverse itself.
 - B. is expected to stabilize.
 - C. is expected to accelerate.
 - D. is expected to reverse rapidly as less-developed countries become more populated.
 - E. None of these answers is correct.
66. Economics, self-esteem, religion, politics, and education all play a critical role in attitudes about family size and population control—and such attitudes are hard to change. Experience in a large variety of cultures spanning the globe and virtually all belief systems, however, shows that even deeply entrenched cultural beliefs on this subject can change if certain conditions are present. These conditions include
- A. higher incomes
 - B. higher literacy levels
 - C. education for women
 - D. access to good health care, and improved nutrition.
 - E. all of the above
67. The _____ metropolitan area has a population larger than Canada's.
- A. Tokyo
 - B. Mexico City
 - C. New York city
 - D. Beijing
 - E. Cairo
68. Most of the world's largest cities are in:
- A. North America.
 - B. South America.
 - C. Europe.
 - D. in the developing world.
 - E. in the developed world.
69. While the developing world faces a rapidly growing population, the industrialized world's population is in decline and rapidly aging. Birthrates in Western Europe and Japan have been decreasing since the _____.
- A. 1980s
 - B. 1990s
 - C. 1800s
 - D. 1970s
 - E. 1960s

70. While the developing world faces a rapidly growing population, the industrialized world's population is in decline and rapidly aging. According to the text, birthrates in _____ have been decreasing since the 1960s.
- A. China
 - B. the less-developed regions of Africa and Asia.
 - C. China and Japan
 - D. China and Western Europe
 - E. Western Europe and Japan
71. Countries like Kenya, with a high proportion of young people, face _____ and health costs.
- A. high death rates
 - B. high education
 - C. low death rates
 - D. low education
 - E. None of these answers is correct
72. In 1998, Japan crossed the threshold anticipated with fear by the rest of the developed world: The point at which there are more retirees withdrawing funds from the pension system than there are workers contributing to it. Such trends can have which of the following outcomes:
- A. An intolerable tax burden on future workers.
 - B. Pressure on the over-65 group to remain in the labour force.
 - C. Pressure on governments and their citizens to allow mass migration to stabilize the worker/retiree ratio.
 - D. All of these answers are correct.
 - E. None of these answers is correct
73. As a consequence of _____ and _____ in the industrialized world, there are more aging people today than ever before. Global life expectancy has grown more in the last 50 years than over the previous five millennia.
- A. decreased prosperity; low birthrates
 - B. increased prosperity; better health standards
 - C. better health standards; improved nutrition
 - D. low birthrates; better health standards
 - E. None of these is correct.
74. The United Nations projects that by _____, the number of people aged 65 to 84 worldwide will grow from 400 million to 1.3 billion (a three-fold increase).
- A. 2015
 - B. 2020
 - C. 2030
 - D. 2040
 - E. 2050
75. The World Bank estimates the following five countries world trade to be 50 percent higher than that of the EU by 2020, which country is not one of the five?
- A. Russia
 - B. Japan
 - C. China
 - D. Brazil
 - E. India

76. As Taki Muri readies his company to pursue lucrative markets in the United States, he is apprehensive about running afoul of U.S. antidumping laws. He has always felt that these laws were constructed just to keep competitors out. However, he also believes (as many other foreign competitors believe) that one way around the U.S. antidumping laws deals with a question of interpretation. Which of the following is the best description of the interpretation loophole that Mr. Muri believes will work to his benefit?
- A. the definition of product
 - B. the definition of price
 - C. the interpretation of "selling below cost"
 - D. the interpretation of "foreign good"
 - E. all of these answers are correct
77. According to the WTO, which of the following is the definition of dumping?
- A. moving questionable goods into a market that does not want them
 - B. flooding a market with so many goods that prices are depressed
 - C. taking excess capacity of one nation and moving that capacity to another
 - D. selling a good at a lower price in the foreign market than in other markets
 - E. none of these answers is correct
78. _____ and the World Bank Group are two global institutions created to assist nations in becoming and remaining economically viable.
- A. The United Nations
 - B. The World Court
 - C. The International Monetary Fund (IMF)
 - D. The International Red Cross
 - E. The League of Nations
79. Which of the following is one of the primary objectives of the International Monetary Fund (IMF)?
- A. the abolishment of unfavourable exchange rates for any nation
 - B. the abolishment of debt for impoverished nations
 - C. the stabilization of foreign exchange rates
 - D. the waiver of all debts from World War II
 - E. all of these answers are correct
80. Another term for IMF special drawing rights (SDRs) is:
- A. black gold
 - B. wealth for capitalists
 - C. peace in our time
 - D. paper gold
 - E. virtual dollars
81. The World Bank provides all of the following to reduce poverty and improve standards of living EXCEPT:
- A. provides loans
 - B. provides technical assistance
 - C. provides policy guidance to developing-country members
 - D. provides mock governments for a period of five years
 - E. all of these answers are correct
82. The IMF developed _____ in order to cope with universally floating exchange rates?
- A. a universal currency for member countries
 - B. a special drawing rights
 - C. a loan to governments
 - D. investment guarantees
 - E. all of the above were developed by the IMF

83. Which of the following agencies are not apart of the United Nations?
- A. UN Conference on Trade and Development (UNCTAD)
 - B. World Tourism Organization (WTO)
 - C. Food and Agriculture Organization (FAO)
 - D. World Trade Organization (WTO)
 - E. all of the above are apart of the United Nations
84. All of the following are environmental considerations when studying a market EXCEPT.
- A. distributing the product
 - B. Geography
 - C. Climate
 - D. physical terrain
 - E. Resources
85. During the last part of the twentieth century, there was considerable effort on the part of governments and industry to develop better ways to control nature and to allow industry to grow while protecting the environment, which of the following statements BEST describes these actions.
- A. former Vice President Al Gore is the leader here on controlling nature
 - B. World Tourism Organization (WTO) will be impacted positively by this
 - C. Food and Agriculture Organization (FAO) are claiming a food shortage as a result
 - D. government and industry are being socially responsible
 - E. the WTO is applying pressure on foreign governments and industry to do this
86. According to the information provided in the text, world energy consumption is being dominated by which of the following regions? _____.
- A. Industrialized Asia
 - B. Developing Asia
 - C. North America
 - D. South America
 - E. Europe
87. According to the information provided in the text, which region is forecasting the largest population growth?
- A. Africa
 - B. Asia
 - C. Europe
 - D. Latin America and the Caribbean
 - E. North America
88. Which of the following cities has a population greater than that of Canada?
- A. Seoul, South Korea
 - B. Tokyo, Japan
 - C. Mexico City, Mexico
 - D. New York, USA
 - E. Mumbai (Bombay), India
89. The creation of the _____ provides a positive force pushing for free trade among nations.
- _____
90. _____ had ground to a halt following World War I when several nations raised average tariffs on imported goods to levels in excess of 60 percent.
- _____
91. According to the text, trade does bring _____.
- _____

92. People in the post-World War II period have been rather lucky—it's the longest period in history without any _____ among major powers.

93. The GATT treaty and subsequent meetings have produced agreements significantly reducing _____ on a wide range of goods.

94. Perhaps the most notable achievement of the Uruguay Round was the creation of the new institution as a succor to the GATT—the _____.

95. While the U.S. exports only about 10 percent of its Gross Domestic Product (GDP), Canada exports more than _____ percent

96. The UN is frequently ridiculed by many as a bureaucracy that works for no one but itself, or for having reacted too soon or too late or too harshly or too softly to a crisis, or for serving as little more than a forum where politicians and countries from the developing world can vent their frustrations against _____

97. Beginning in 1999, what some are calling " _____ " protestors began to influence the workings of the major global institutions.

98. The U.S. Constitution describes "Life, Liberty, and the Pursuit of Happiness" Canada's constitution describes " _____, _____ and _____."

99. Dams are a cost-effective solution to a host of problems—they create electricity, help control floods, provide water for irrigation during dry periods, and can be a rich source of fish. But they also displace people (the Three Gorges Dam in China will displace 1.2 million people), and silt that ultimately clogs the reservoir is no longer carried downstream to replenish the soil and add nutrients. The need for gigantic projects such as these is a matter of balancing _____ needs against the _____ and _____ costs required to meet them.

100. The World Energy Consumption noted _____ as the leader in energy consumption in 2001.

101. The _____ and the _____ are two global institutions created to assist nations in becoming and remaining economically viable.

102. Name the five services performed by the World Bank

103. Provide an example where protest groups, with responsible intent, have affected policy.
104. Name the three reasons why the United Nations is important to the international marketer and executive?
105. Briefly, describe how the Great Depression came to be.
106. While the UN as a whole does not generally have a good image these days, most of its individual agencies do—and it has many! Please describe what three of the following agencies do: UNCTAD (UN Conference on Trade and Development), UNIDO (UN International Development Organization), WHO (World Health Organization), WTO (World Tourism Organization), FAO (Food and Agriculture Organization), UNESCO (UN Educational, Scientific, and Cultural Organization), UNICEF; UN Peacekeeping Forces unit.
107. "It doesn't matter whether you agree with, like, or whatever, the target market's culture, or whether you agree with that culture's interpretation of how its history has affected it—the reality is that the culture is what it is, and in international marketing you either have to learn to work with it or accept that you will be unable to work there at all." Please explain what this means.

108. "As countries prosper, natural barriers are overcome. Tunnels are dug and bridges and dams are built in an effort to control or to adapt to climate, topography, and the recurring extremes of nature. Humankind has been successful in overcoming or minimizing the effects of geographical barriers and natural disasters, but as we do so we must contend with new problems of our own making. The construction of dams is a good example of how an attempt to harness nature for good has a bad side." Please discuss
109. Nations, companies, and people seem to have reached a consensus over the past few decades that environmental protection is not an optional extra but an essential part of the complex process of doing business. As the global rush toward industrialization and economic growth accelerates, environmental issues become more apparent. Please discuss 3 environmental issues.
110. "Migration from rural to urban areas is largely a result of a desire for greater access to sources of education, health care, and improved job opportunities. In the early 1800s, fewer than 3.5 percent of the world's people were living in cities of 20,000 or more, and fewer than 2 percent in cities of 100,000 or more. Today, more than 40 percent of the world's people are urbanites, and the trend is accelerating. Once in the city, perhaps three out of four migrants achieve some economic gains. 28 The family income of a manual worker in urban Brazil, for example, is almost five times that of a farm labourer in a rural area." Please discuss some of the issues urban centers are confronted with as a result of rapid urbanization

ch02 Key

1. (p. 32) TRUE
2. (p. 32) TRUE
3. (p. 32) FALSE
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5. (p. 32) TRUE
6. (p. 32) FALSE
7. (p. 33) TRUE
8. (p. 33) TRUE
9. (p. 33) TRUE
10. (p. 34) FALSE
11. (p. 34) TRUE
12. (p. 36) TRUE
13. (p. 36) TRUE
14. (p. 38) FALSE
15. (p. 38) TRUE
16. (p. 39) FALSE
17. (p. 39) TRUE
18. (p. 39) TRUE
19. (p. 41) TRUE
20. (p. 41) TRUE
21. (p. 43) TRUE
22. (p. 42) FALSE
23. (p. 45) TRUE
24. (p. 45) FALSE
25. (p. 46) TRUE
26. (p. 46) TRUE
27. (p. 39) FALSE
28. (p. 40) TRUE
29. (p. 54) TRUE
30. (p. 56) TRUE
31. (p. 58) TRUE
32. (p. 32) C
33. (p. 32) E
34. (p. 34) B
35. (p. 36) D
36. (p. 36) B

- 37. (p. 36) A
- 38. (p. 37) A
- 39. (p. 35) D
- 40. (p. 38) B
- 41. (p. 38) A
- 42. (p. 38) B
- 43. (p. 38) D
- 44. (p. 39) C
- 45. (p. 39) E
- 46. (p. 40) C
- 47. (p. 40) B
- 48. (p. 40) D
- 49. (p. 40) C
- 50. (p. 40) C
- 51. (p. 40) A
- 52. (p. 41) D
- 53. (p. 41) D
- 54. (p. 42) C
- 55. (p. 43) A
- 56. (p. 44) E
- 57. (p. 45) E
- 58. (p. 48) B
- 59. (p. 48) D
- 60. (p. 50 (*Time-line*)) D
- 61. (p. 52) E
- 62. (p. 53, *Exhibit 2.5*) A
- 63. (p. 54) D
- 64. (p. 55) D
- 65. (p. 56) C
- 66. (p. 56) E
- 67. (p. 57, *Exhibit 2.5*) A
- 68. (p. 57) D
- 69. (p. 58) E
- 70. (p. 58) E
- 71. (p. 58) B
- 72. (p. 59) D
- 73. (p. 58) D
- 74. (p. 58) E

75. (p. 34) B
76. (p. 39) C
77. (p. 39) D
78. (p. 39) C
79. (p. 39) C
80. (p. 40) D
81. (p. 40) D
82. (p. 40) B
83. (p. 41) D
84. (p. 46) A
85. (p. 49-51) D
86. (p. 53) C
87. (p. 55) B
88. (p. 57) B
89. (p. 32) World Trade Organization
90. (p. 33) International trade
91. (p. 36) peace
92. (p. 36) war
93. (p. 37) tariffs
94. (p. 38) World Trade Organization
95. (p. 34) 40
96. (p. 41) "the West"
97. (p. 42) anti-capitalist
98. (p. 43) Peace, Order, and Good Government
99. (p. 49) Human, Social, Environmental
100. (p. 53) North America
101. (p. 39) International Monetary Fund (IMF) and the World Bank Group
102. (p. 40) (1) lending money to the governments of developing countries to finance development projects in education, health, and infrastructure, (2) provide assistance to governments for developmental projects in the poorest of nations, (3) lending directly to the private sector to help strengthen that sector in developing countries, (4) provide investors with investment guarantees against noncommercial risk such as expropriation and war and (5) promoting increased flows of international investment by providing facilities for the conciliation and arbitration of disputes between governments and foreign investors.
103. (p. 42) The student may list any example found on page 42.
104. (p. 41) (1) UN's political role, (2) UN's role as collector and provider of information and (3) the number of agencies within its portfolio. Details found on page 39.
105. (p. 33) Trade International trade had ground to a halt following World War I when several nations raised average tariffs on imported goods to levels in excess of 60 percent. In retaliation, 60 other countries erected high tariff walls and international trade was stalled, along with most economies. A major worldwide recession catapulted the world's economies into the Great Depression starting in the early 1930s, when trade all but dried up after tariffs and other trade barriers were raised to intolerable heights. Eventually, Canada and the United States agreed to tariff reductions on traded goods, but only after Canadian exports declined substantially

106. (p. 41) UNCTAD (UN Conference on Trade and Development), UNIDO (UN International Development Organization), WHO (World Health Organization), WTO (World Tourism Organization), FAO (Food and Agriculture Organization), UNESCO (UN Educational, Scientific, and Cultural Organization)—and on and on the list goes. Consider the implications, both direct and indirect: Some businesses "live" on making the greeting and Christmas cards distributed by UNICEF; hotels and other tourism operators thrive when UNESCO declares an area or feature near them a World Heritage Site; tourism organizations in every country are influenced by WTO policies; makers of tents, blankets, and other emergency supplies sell millions when the UN organizes emergency relief support after a natural disaster has hit a region; and UN peacekeepers wear clothes, drive vehicles, and use other equipment that is made by smart marketers who deliberately decided not to ignore what the UN does through its UN Peacekeeping Forces unit.

107. (p. 43-46) The answer can be found on pages 43 to 46, and in addition this concept is one of the basic tenants of this book. A good starting point (but not necessarily the only way to answer this question) is as follows Dr. Stanley Shapiro, who served for many years as dean of business at McGill and Simon Fraser universities and has had a seminal influence on the development of marketing in Canada and internationally. He uses the expression to describe those who may be "savants" about a very narrowly defined area of knowledge—say, marketing, in the narrow sense of knowing the discipline's tools and techniques—but know or care little about anything else, resulting in short-term advantages that soon evaporate as the manager faces increasingly complex problems that require in-depth understanding to be addressed effectively.)

108. (p. 49) As countries prosper, natural barriers are overcome. Tunnels are dug and bridges and dams are built in an effort to control or to adapt to climate, topography, and the recurring extremes of nature. Humankind has been successful in overcoming or minimizing the effects of geographical barriers and natural disasters, but as we do so we must contend with new problems of our own making. The construction of dams is a good example of how an attempt to harness nature for good has a bad side. Dams are a cost-effective solution to a host of problems—they create electricity, help control floods, provide water for irrigation during dry periods, and can be a rich source of fish. But they also displace people (the Three Gorges Dam in China will displace 1.2 million people), 16 and silt that ultimately clogs the reservoir is no longer carried downstream to replenish the soil and add nutrients. In the U.S., the Tennessee Valley Authority, established by an act of Congress in 1933, generated national debate in the 1960s and 1970s until the Arab oil embargo of 1973 and the need for home-grown energy sources 17 helped to tilt public opinion in favour of expansion of its dam system. The need for gigantic projects such as these is a matter of balancing human needs against the social and environmental costs required to meet them.

Of special concern to governments and businesses is finding ways to stem the tide of pollution and clean up decades of neglect. Companies looking to build manufacturing plants in countries with more liberal pollution regulations than they have at home are finding that regulations everywhere have gotten stricter. A strong motivator is the realization that pollution is on the verge of getting completely out of control. An examination of rivers, lakes, and reservoirs in China revealed that toxic substances polluted 21 percent of them, and that 16 percent of the rivers were seriously polluted with excrement.

Many view the problem as a global rather than a national issue, since it poses common threats to humankind and cannot be addressed by nations in isolation.

109. (p. 51) Disruption of ecosystems, relocation of people, inadequate hazardous waste management, and industrial pollution are problems that must be addressed by the industrialized world and those countries seeking economic development.

Consider the conditions that exist in Mexico City today. Besides smog, garbage, and pollution brought about by the increased population, the city faces a severe water shortage. Local water supplies are nearly exhausted and in some cases are unhealthy. 31 Water consumption from all sources is about 60,500 litres per second, but the underground aquifers are producing only 10,000 litres per second. Water comes from hundreds of kilometres away and has to be pumped up to an elevation of 2,269 metres to reach Mexico City. This is a grim picture for one of the most beautiful and sophisticated cities in Latin America. Such problems are not unique to Mexico; throughout the developing world, poor sanitation and inadequate water supplies are consequences of runaway population growth. An estimated 1.1 billion people are currently without access to clean drinking water, and 2.8 billion lack access to sanitation services. Estimates are that 40 percent of the world's population, 2.5 billion people, will be without clean water if more is not invested in water resources. 32 Prospects for improvement are not encouraging, because most of the world's urban growth will take place in the already economically strained developing countries.

110. (p. 58) Although migrants experience some relative improvement in their living standards, intense urban growth without investment in services eventually leads to serious problems. Slums populated with unskilled workers living hand to mouth put excessive pressure on sanitation systems, water supplies, and other social services. At some point, the disadvantages of unregulated urban growth begin to outweigh the advantages for all concerned and only substantive interventions by governments and innovative approaches by the private sector can help to address the problem.

ch02 Summary

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