Test Bank for International Business The Challenges of Globalization 8th Wild

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***International Business, 8e* (Wild/Wild)**
Chapter 2 Cross-Cultural Business

1) Which of the following terms is defined as the set of values, beliefs, rules, and institutions held by a specific group of people?
A) law
B) philosophy
C) culture
D) science
Answer: C
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Easy
LO: 2.1: Explain culture and the need for cultural knowledge.

2) Ethnocentricity can be defined as the _____.
A) scientific description of individual human societies
B) systematic study of an ethnic group's religious core
C) merging of all ethnic practices into one homogeneous culture
D) belief that one's own ethnic group or culture is superior to that of others
Answer: D
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Easy
LO: 2.1: Explain culture and the need for cultural knowledge.

3) Detailed knowledge about a culture that enables people to work happily and effectively within it is called _____.
A) cultural literacy
B) cultural imperialism
C) cultural diffusion
D) cultural divergence
Answer: A
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Easy
LO: 2.1: Explain culture and the need for cultural knowledge.

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4) Bob is a journalist who intends to spend the next five months exploring Konesia. In order to be able to fit in with the locals, he studies their culture in detail. He familiarizes himself with their tastes and preferences, takes note of their taboos, and memorizes many of their sayings and phrases. Which of the following terms best describes his actions?
A) material culture
B) popular culture
C) cultural imperialism
D) cultural literacy
Answer: D
AACSB: Diverse and multicultural work environments
Skill: Application
Difficulty: Hard
LO: 2.1: Explain culture and the need for cultural knowledge.

5) Which of the following is defined as a group of people who share a unique way of life within a larger, dominant culture?
A) macroculture
B) subculture
C) cultural universal
D) monoculture
Answer: B
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Easy
LO: 2.1: Explain culture and the need for cultural knowledge.

6) The Toro-Hessians are a minority group in the Margoza Archipelago, with a set of preferences, attitudes, and taboos, distinct from that of the national culture. Therefore, they are often overlooked when foreign businesses choose to customize their products for the inhabitants of the islands. The Toro-Hessian community is an example of _____.
A) cultural universal
B) monoculture
C) subculture
D) stratification
Answer: C
AACSB: Diverse and multicultural work environments
Skill: Application
Difficulty: Hard
LO: 2.1: Explain culture and the need for cultural knowledge.

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7) Which of the following is a cultural component that implies gauging the beauty and appeal of artwork?
A) customs
B) mores
C) folkways
D) aesthetics
Answer: D
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Easy
LO: 2.1: Explain culture and the need for cultural knowledge.

8) Which of the following terms is used to refer to the ideas, beliefs, and customs to which people are emotionally attached?
A) attitudes
B) memetics
C) aesthetics
D) values
Answer: D
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Easy
LO: 2.1: Explain culture and the need for cultural knowledge.

9) Which of the following terms is used to refer to the positive or negative evaluations, feelings, and tendencies that individuals harbor toward objects or concepts?
A) customs
B) attitudes
C) traditions
D) values
Answer: B
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Easy
LO: 2.1: Explain culture and the need for cultural knowledge.

10) Which of the following statements is true of attitudes?
A) Over the years, they become more rigid than values.
B) They are learned from role models.
C) Because they're formed within a cultural context, they mirror the attitudes of surrounding countries.
D) They are developed only for the most important aspects of life.
Answer: B
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Moderate
LO: 2.1: Explain culture and the need for cultural knowledge.

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11) A(n) _____ is anything that represents a culture's way of life, including gestures, material objects, traditions, and concepts.
A) social structure
B) social status
C) cultural baggage
D) cultural trait
Answer: D
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Easy
LO: 2.1: Explain culture and the need for cultural knowledge.

12) _____ is increasing the pace of both cultural diffusion and cultural change.
A) Collectivism
B) Enculturation
C) Fundamentalism
D) Globalization
Answer: D
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Easy
LO: 2.1: Explain culture and the need for cultural knowledge.

13) Which of the following refers to the process by which cultural traits spread from one culture to another?
A) cultural heterogeneity
B) cultural imperialism
C) cultural diffusion
D) cultural literacy
Answer: C
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Easy
LO: 2.1: Explain culture and the need for cultural knowledge.

14) Cultural change occurs when people integrate into their culture the gestures, material objects, traditions, or concepts of another culture through _____.
A) ethnocentricism
B) cultural diffusion
C) social stratification
D) xenocentrism
Answer: B
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Easy
LO: 2.1: Explain culture and the need for cultural knowledge.

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15) The practice of exchanging rings at weddings, which was initially a pagan ritual, is now followed by most people across the world. Which of the following does this illustrate?
A) cultural literacy
B) cultural encoding
C) cultural diffusion
D) cultural lag
Answer: C
AACSB: Diverse and multicultural work environments
Skill: Application
Difficulty: Hard
LO: 2.1: Explain culture and the need for cultural knowledge.

16) Which of the following terms is used to refer to habits or ways of behaving in specific circumstances that are passed down through generations?
A) customs
B) attitudes
C) prejudices
D) aesthetics
Answer: A
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Easy
LO: 2.1: Explain culture and the need for cultural knowledge.

Scenario: The French Government
The French Government has placed many restrictions upon the use of the English language within their borders. They argue that the inflow of English movies, music, and literature is responsible for the dilution of their rich culture.

17) Their argument is vulnerable to criticism because _____.
A) most restaurants still display their menu cards in French
B) they fail to take other social and cultural factors into account
C) they do not distinguish between movies made by studios in England and movies made in Hollywood
D) no other country screens French movies or star French actors
Answer: B
AACSB: Reflective thinking
Skill: Critical Thinking
Difficulty: Hard
LO: 2.1: Explain culture and the need for cultural knowledge.

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18) Surveys conducted by a group of sociologists show that French children display more familiarity with the superheroes of Hollywood movies than with the heroes of their traditional folklore. The French Government can use this fact to prove the effect of _____ within their country.
A) cultural imperialism
B) social stratification
C) ethnocentricism
D) racism
Answer: A
AACSB: Diverse and multicultural work environments
Skill: Application
Difficulty: Hard
LO: 2.1: Explain culture and the need for cultural knowledge.

19) The French Government promotes the concept of _____ by building museums and monuments to preserve the legacies of important events and people.
A) subculture
B) national culture
C) popular culture
D) monoculture
Answer: B
AACSB: Diverse and multicultural work environments
Skill: Application
Difficulty: Hard
LO: 2.1: Explain culture and the need for cultural knowledge.

Scenario: Frankfurter Friday
Betty Cleveland is the vice president of Frankfurter Friday, a highly successful hot dog joint in Oceania. Her company decides to expand to Asia and identifies China as the ideal market. Before she leaves for China, she studies their culture extensively and discovers that the number four is considered extremely unlucky, that not everybody is fluent in China's official language—Mandarin—and that punctuality is a highly valued trait in the country.

20) Which of the following terms describes Betty's effort to learn more about the Chinese culture?
A) cultural literacy
B) cultural imperialism
C) cultural divergence
D) cultural heterogeneity
Answer: A
AACSB: Diverse and multicultural work environments
Skill: Application
Difficulty: Hard
LO: 2.1: Explain culture and the need for cultural knowledge.

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21) The first step in analyzing a nation's potential for international business activity is to examine its business climate.
Answer: TRUE
AACSB: Application of knowledge
Skill: Concept
Difficulty: Moderate
LO: 2.1: Explain culture and the need for cultural knowledge.

22) Ethnocentricity facilitates the establishment of new businesses abroad.
Answer: FALSE
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Easy
LO: 2.1: Explain culture and the need for cultural knowledge.

23) Subcultures mimic the values, preferences, and beliefs of dominant cultures.
Answer: FALSE
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Easy
LO: 2.1: Explain culture and the need for cultural knowledge.

24) Subcultures do not exist in democratic countries with large populations.
Answer: FALSE
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Easy
LO: 2.1: Explain culture and the need for cultural knowledge.

25) Hispanics comprise a subculture in the United States.
Answer: TRUE
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Easy
LO: 2.1: Explain culture and the need for cultural knowledge.

26) Subcultures contribute very little to national culture and can be safely ignored when making marketing and production decisions.
Answer: FALSE
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Moderate
LO: 2.1: Explain culture and the need for cultural knowledge.

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27) A nation's cultural boundaries do not always correspond with its political boundaries.
Answer: TRUE
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Moderate
LO: 2.1: Explain culture and the need for cultural knowledge.

28) Subcultures exist only within a nation's borders.
Answer: FALSE
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Easy
LO: 2.1: Explain culture and the need for cultural knowledge.

29) Cultures isolated by topographical barriers are characterized by slower cultural change.
Answer: TRUE
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Moderate
LO: 2.1: Explain culture and the need for cultural knowledge.

30) Material culture often displays uneven development across a nation's industries.
Answer: TRUE
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Moderate
LO: 2.1: Explain culture and the need for cultural knowledge.

31) _____ facilitate(s) the process of cultural imperialism.
A) Strict product liability laws
B) Relaxed trade and investment barriers
C) Technological stagnation
D) Social media censorship
Answer: B
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Moderate
LO: 2.2: Summarize the cultural importance of values and behavior.

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32) _____ refers to the replacement of one culture's traditions, folk heroes, and artifacts with equivalents from another.
A) Cultural imperialism
B) Social stratification
C) Cultural encoding
D) Social conditioning
Answer: A
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Easy
LO: 2.2: Summarize the cultural importance of values and behavior.

33) The sale of Hollywood movies in Konesia has doubled in the last five years while those of locally-produced movies has fallen. In addition to this, sociologists have noted that currently, the teenagers of Konesia are less inclined to don their traditional costumes, preferring to adopt Western clothes instead. These changing trends illustrate _____.
A) cultural imperialism
B) cultural universal
C) cultural retention
D) cultural elitism
Answer: A
AACSB: Diverse and multicultural work environments
Skill: Application
Difficulty: Hard
LO: 2.2: Summarize the cultural importance of values and behavior.

34) _____ is a system in which a supervisor walks an employee through every step of an assignment or task, monitoring the results at each stage.
A) Situational attribution
B) Situational management
C) Social mobility
D) Social stratification
Answer: B
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Easy
LO: 2.2: Summarize the cultural importance of values and behavior.

35) Low levels of class consciousness encourage social mobility and lessen conflict.
Answer: TRUE
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Moderate
LO: 2.2: Summarize the cultural importance of values and behavior.

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36) The cultural component that deals with elements of imagery and symbolism is known as material culture.
Answer: FALSE
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Easy
LO: 2.2: Summarize the cultural importance of values and behavior.

37) A culture's values tend to become more flexible over time.
Answer: FALSE
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Easy
LO: 2.2: Summarize the cultural importance of values and behavior.

38) Folk customs that spread by cultural diffusion to other regions develop into popular customs.
Answer: TRUE
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Easy
LO: 2.2: Summarize the cultural importance of values and behavior.

39) A nuclear family comprises of one's immediate family, along with grandparents, uncles, aunts, and cousins.
Answer: FALSE
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Easy
LO: 2.2: Summarize the cultural importance of values and behavior.

40) Social status is determined by family heritage, income, and occupation.
Answer: TRUE
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Easy
LO: 2.2: Summarize the cultural importance of values and behavior.

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41) Distinguish between attitudes and values. How do cultures differ in their attitudes toward cultural change?
Answer: Ideas, beliefs, and customs to which people are emotionally attached are called values. Attitudes are positive or negative evaluations, feelings, and tendencies that individuals harbor toward objects or concepts. Attitudes reflect underlying values. But unlike values (which generally concern only important matters), people hold attitudes toward both important and unimportant aspects of life. And whereas values remain quite rigid over time, attitudes are more flexible.
Cultures can have varying responses to cultural change. Some countries feel threatened by the diffusion of traits from certain cultures, particularly if there appears to be a risk of cultural imperialism. One example involves French resistance to the influx of American cultural icons such as Mickey Mouse. In other cases, countries may welcome cultural change or at least see its benefits. U.S. audiences have embraced the diffusion of British-style competitive TV shows, such as the type of show that spawned American Idol.
AACSB: Reflective thinking
Skill: Synthesis
Difficulty: Hard
LO: 2.2: Summarize the cultural importance of values and behavior.

42) Explain the concept of culture. Why is it important to avoid ethnocentricity and gain cultural literacy?
Answer: Culture is the set of values, beliefs, rules, and institutions held by a specific group of people. Individuals who are ethnocentric believe their culture is superior to other cultures. It is important to avoid ethnocentricity because it can seriously undermine international business projects. It causes people to view other cultures in terms of their own and, therefore, disregard the beneficial characteristics of other cultures.
Cultural literacy, on the other hand, involves acquiring detailed knowledge about a culture to function effectively within it. Cultural literacy improves a person's ability to manage employees, market products, and conduct negotiations in other countries. The culturally literate manager who compensates for local needs and desires brings his or her company closer to customers and improves the firm's competitiveness.
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Moderate
LO: 2.2: Summarize the cultural importance of values and behavior.

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43) A folk custom can be defined as _____.
A) behavior shared by a heterogeneous group or by several groups of people
B) behavior, often dating back several generations, that is practiced by a homogeneous group of people
C) positive or negative evaluations, feelings, and tendencies that individuals harbor toward objects or concepts
D) positive or negative evaluations, feelings, and tendencies that individuals harbor toward themselves
Answer: B
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Easy
LO: 2.3: Describe the roles of social structure and education in culture.

44) Folk customs that spread by cultural diffusion to other regions develop into _____.
A) trash culture
B) traditions
C) popular customs
D) superstitions
Answer: C
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Easy
LO: 2.3: Describe the roles of social structure and education in culture.

45) The practice by which managers and other employees find jobs within their own companies for relatives is known as _____.
A) ethnocentricism
B) enculturation
C) nepotism
D) stratification
Answer: C
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Easy
LO: 2.3: Describe the roles of social structure and education in culture.

46) Nepotism often prevails in _____ cultures.
A) extended-family
B) individualistic
C) monotheistic
D) nuclear family
Answer: A
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Easy
LO: 2.3: Describe the roles of social structure and education in culture.

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47) _____ refers to socially learned traits associated with, and expected of, men or women.
A) Conformity
B) Social mobility
C) Individualism
D) Gender
Answer: D
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Easy
LO: 2.3: Describe the roles of social structure and education in culture.

48) Which of the following terms is used to refer to the process of ranking people into social layers or classes?
A) social transformation
B) social stratification
C) social loafing
D) social mobility
Answer: B
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Easy
LO: 2.3: Describe the roles of social structure and education in culture.

49) _____ tend to occupy the highest social layer in industrialized countries.
A) Teachers
B) Scientists
C) Medical doctors
D) Business leaders
Answer: D
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Easy
LO: 2.3: Describe the roles of social structure and education in culture.

50) _____ refers to the ease with which individuals can move up or down a culture's social ladder.
A) Social standing
B) Social mobility
C) Social inertia
D) Social loafing
Answer: B
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Easy
LO: 2.3: Describe the roles of social structure and education in culture.

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51) A caste system is a system of social stratification in which _____.
A) a person's social status is decided by his acquired wealth
B) a person's position in society depends upon his educational qualifications and achievements
C) people are born into a social ranking, with no opportunity for social mobility
D) people join highly exclusive associations that encourage external interaction
Answer: C
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Moderate
LO: 2.3: Describe the roles of social structure and education in culture.

52) Mika finds that he has very little control over several aspects of his life. Whether his education or occupation, the few options available to him are determined by his birth. Which of the following is a characteristic of Mika's society?
A) There is no distinction between the people of high and low birth in Mika's culture.
B) Mika belongs to a society in which there is little scope for mobility.
C) Mika belongs to a society in which economic wealth determines social status.
D) Mika belongs to a society in which caste system and social status is a myth.
Answer: B
AACSB: Diverse and multicultural work environments
Skill: Application
Difficulty: Hard
LO: 2.3: Describe the roles of social structure and education in culture.

53) A class system is a system of social stratification in which _____.
A) people are divided into various political groups and subgroups
B) a person's social rank depends upon his/her parentage
C) people join highly exclusive associations that forbid external interaction
D) personal ability and actions determine an individual's social status and mobility
Answer: D
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Moderate
LO: 2.3: Describe the roles of social structure and education in culture.

54) Which of the following is the most common form of social stratification in the world today?
A) racial segregation
B) class system
C) gender-based division
D) language-based stratification
Answer: B
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Easy
LO: 2.3: Describe the roles of social structure and education in culture.

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55) _____ is crucial in production facilities where nonnative managers supervise local employees.
A) Ethnocentricism
B) Language proficiency
C) Cultural isolation
D) Individualism
Answer: B
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Easy
LO: 2.3: Describe the roles of social structure and education in culture.

56) Lingua franca is _____.
A) a language spoken by all countries in a continent
B) a form of non-verbal language adopted by all nations as the official language for business transactions
C) a unique language developed by Asian countries
D) a "link" language understood by two parties who speak different native languages
Answer: D
AACSB: Written and oral communication
Skill: Concept
Difficulty: Easy
LO: 2.3: Describe the roles of social structure and education in culture.

57) Which of the following terms is used to refer to the departure of highly educated people from one profession, geographic region, or nation to another?
A) social mobility
B) repatriation
C) stratification
D) brain drain
Answer: D
AACSB: Application of knowledge
Skill: Concept
Difficulty: Easy
LO: 2.3: Describe the roles of social structure and education in culture.

58) Over the last ten years, nearly 90% of medical graduates from Konesia have left the country for higher-paying jobs in the United States. What phenomenon has Konesia been witnessing?
A) vested outsourcing
B) brain drain
C) redeployment
D) repatriation
Answer: B
AACSB: Analytical thinking
Skill: Application
Difficulty: Hard
LO: 2.3: Describe the roles of social structure and education in culture.

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59) Reverse brain drain is the process by which _____.
A) manual laborers migrate from low-income countries to high-income countries
B) former communist nations lure professionals back to their homeland
C) students from Europe choose to enroll themselves in American universities
D) companies in high-income countries hire people from low-income countries to fill white-collar positions
Answer: B
AACSB: Application of knowledge
Skill: Concept
Difficulty: Moderate
LO: 2.3: Describe the roles of social structure and education in culture.

60) Konesia is a country with a number of offshore islands. Its landscape is characterized by deep valleys, rocky plains, and impassable mountains. Which of the following statements about the country is true, keeping its topography in mind?
A) Konesia is the ideal place to set up production facilities for multinational companies.
B) Konesia experiences a slow rate of cultural change.
C) Konesia is a receptive market for foreign automobile companies.
D) Konesia is greatly susceptible to cultural imperialism.
Answer: B
AACSB: Analytical thinking
Skill: Application
Difficulty: Hard
LO: 2.3: Describe the roles of social structure and education in culture.

61) Literacy tests offer a reliable basis on which one nation's educational level can be compared with another.
Answer: FALSE
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Moderate
LO: 2.3: Describe the roles of social structure and education in culture.

62) Nations that invest in worker training programs are usually rewarded with an increase in productivity and a rise in income.
Answer: TRUE
AACSB: Application of knowledge
Skill: Concept
Difficulty: Moderate
LO: 2.3: Describe the roles of social structure and education in culture.

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63) Brain drain is the departure of highly educated people from one profession, geographic region, or nation to another.
Answer: TRUE
AACSB: Analytical thinking; Diverse and multicultural work environments
Skill: Concept
Difficulty: Easy
LO: 2.3: Describe the roles of social structure and education in culture.

64) Describe brain drain and its impact on an economy. What is reverse brain drain?
Answer: Brain drain is the departure of highly educated people from one profession, geographic region, or nation to another. Brain drain can negatively affect an economy if individuals needed for economic development, such as science and technology professionals, move elsewhere. Many countries in Eastern Europe experienced high levels of brain drain early in their transition to market economies. Economists, engineers, scientists, and researchers in all fields fled westward to escape poverty. But as these nations continue their long march away from communism, some are luring professionals back to their homelands—a process known as reverse brain drain.
AACSB: Application of knowledge
Skill: Concept
Difficulty: Moderate
LO: 2.3: Describe the roles of social structure and education in culture.

65) What are the two types of family groups? Why does the family play an important role in affecting business activities across the world?
Answer: There are two different types of family groups:
The nuclear family consists of a person's immediate relatives, including parents, brothers, and sisters. This concept of family prevails in Australia, Canada, the United States, and much of Europe.
The extended family broadens the nuclear family and adds grandparents, aunts and uncles, cousins, and relatives through marriage. It is an important social group in much of Asia, the Middle East, North Africa, and Latin America.
Extended families can present some interesting situations for businesspeople unfamiliar with the concept. In some cultures, owners and managers obtain supplies and materials from another company in which someone from the extended family works. Gaining entry into such family arrangements can be difficult because quality and price are not sufficient motives to ignore family ties.
In extended-family cultures, managers and other employees often try to find jobs for relatives inside their own companies. This practice (called "nepotism") can present a challenge to the human resource operations of a Western company, which typically must establish explicit policies on the practice.
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Moderate
LO: 2.3: Describe the roles of social structure and education in culture.

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66) Religion is confined to national political boundaries.
Answer: FALSE
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Easy
LO: 2.4: Outline how major world religions can influence business.

67) The _____ played a major role in the development of capitalism and free enterprise in nineteenth-century Europe.
A) pillars of Islam
B) Shinto doctrine
C) Protestant work ethic
D) tenets of Judaism
Answer: C
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Easy
LO: 2.4: Outline how the major world religions can influence business.

Scenario: The French Government
The French Government has placed many restrictions upon the use of the English language within their borders. They argue that the inflow of English movies, music, and literature is responsible for the dilution of their rich culture.

68) Which of the following statements, if true, strengthens their argument?
A) The Education Board of France has made it mandatory for schools to teach students English as a second language.
B) The sales of English novels have risen sharply, while those of French novels have declined to a corresponding extent.
C) Stores now advertise their presence with two placards; one in English and one in French.
D) French fashions are no longer popular in English speaking countries.
Answer: B
AACSB: Reflective thinking
Skill: Critical Thinking
Difficulty: Hard
LO: 2.5: Explain the importance of personal communication to international business.

69) Which of the following statements, if true, weakens their argument?
A) Hollywood movies star French actors very often.
B) English novels are more expensive than French novels.
C) Contemporary French artists have failed to come up with original songs.
D) A larger number of children are being given English names than traditional French names.
Answer: C
AACSB: Reflective thinking
Skill: Critical Thinking
Difficulty: Hard
LO: 2.5: Explain the importance of personal communication to international business.

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70) Upon what assumption does their argument rest?
They argument assumes that _____.
A) the people of France prefer English music and movies to French music and movies
B) the people of France no longer speak French
C) the people of other countries aren't open to French cultural elements
D) Hollywood movies don't have French subtitles
Answer: A
AACSB: Reflective thinking
Skill: Critical Thinking
Difficulty: Hard
LO: 2.5: Explain the importance of personal communication to international business.

71) When going global with an Internet presence, it is highly beneficial for a business to localize its Web site.
Answer: TRUE
AACSB: Information technology
Skill: Concept
Difficulty: Moderate
LO: 2.5: Explain the importance of personal communication to international business.

72) Discuss the concept of lingua franca and how it affects communication in international business.
Answer: A lingua franca is a third or "link" language understood by two parties who speak different native languages. The original lingua franca arose to support ancient trading activities and contained a mixture of Italian and French, along with Arabic, Greek, and Turkish. Multinational corporations sometimes choose a lingua franca for official internal communications because they operate in many nations, each with its own language. Although only 5 percent of the world's population speaks English as a first language, it is the most common lingua franca in international business, followed closely by French and Spanish.
AACSB: Written and oral communication
Skill: Concept
Difficulty: Moderate
LO: 2.5: Explain the importance of personal communication to international business.

73) Which of the following terms refers to the technology used in a culture to manufacture goods and provide services?
A) vernacular culture
B) popular culture
C) trash culture
D) material culture
Answer: D
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Easy
LO: 2.6: Describe how firms and culture interact and frameworks used to study culture.

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74) _____ is often used to measure the technological advancement of a nation's markets or industries.
A) Material culture
B) Popular culture
C) Trash culture
D) Vernacular culture
Answer: A
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Easy
LO: 2.6: Describe how firms and culture interact and frameworks used to study culture.

75) _____ cultures value hard work and promote entrepreneurial risk taking.
A) Short-term oriented
B) High uncertainty avoidance
C) Individualist
D) Collectivist
Answer: C
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Easy
LO: 2.6: Describe how firms and culture interact and frameworks used to study culture.

76) Andy comes from a culture that emphasizes hard work and promotes the entrepreneurial spirit within individuals. While he and his coworkers are encouraged to achieve their personal goals, they are also held responsible for their actions. According to Hofstede's framework, which of the following dimensions does this culture illustrate?
A) feminity
B) individualism
C) high power distance
D) high uncertainty avoidance
Answer: B
AACSB: Diverse and multicultural work environments
Skill: Application
Difficulty: Hard
LO: 2.6: Describe how firms and culture interact and frameworks used to study culture.

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77) According to Hofstede's framework, which of the following dimensions describes the degree to which a culture accepts social inequality among its people?
A) power distance
B) uncertainty avoidance
C) individualism
D) collectivism
Answer: A
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Easy
LO: 2.6: Describe how firms and culture interact and frameworks used to study culture.

78) According to Hofstede's framework, organizations which have cultures that score high on _____ tend to be more hierarchical, with power deriving from prestige, force, and inheritance.
A) uncertainty avoidance
B) power distance
C) short-term orientation
D) femininity
Answer: B
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Easy
LO: 2.6: Describe how firms and culture interact and frameworks used to study culture.

79) According to Hofstede's framework, a culture with large power distance tends to be characterized by _____.
A) inequality between superiors and subordinates
B) the absence of any form of hierarchy
C) power derived from hard work and entrepreneurial drive
D) a preference for individualism over collectivism
Answer: A
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Easy
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80) Sally, a social worker from the United States, has been stationed in Konesia for a year. She notices several things about the Konesian society; the people who report to her, for example, do so with an excessive amount of submissiveness, and her superior seems to expect the same of her. Which of the following statements about Konesia would be consistent with Hofstede's framework?
A) Konesians work best in an informal environment.
B) Konesia has a large power distance culture.
C) Konesian society is primarily individualistic.
D) Konesians derive power from their entrepreneurial drive.
Answer: B
AACSB: Diverse and multicultural work environments
Skill: Application
Difficulty: Hard
LO: 2.6: Describe how firms and culture interact and frameworks used to study culture.

81) According to Hofstede's framework, a culture with _____ values security and places its faith in strong systems of rules and procedures in society.
A) large uncertainty avoidance
B) low power distance
C) short-term orientation
D) high individualism
Answer: A
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Easy
LO: 2.6: Describe how firms and culture interact and frameworks used to study culture.

82) According to Hofstede's framework, cultures scoring high on the dimension of _____ tend to be characterized by personal assertiveness and the accumulation of wealth, typically translating into an entrepreneurial drive.
A) power distance
B) collectivism
C) uncertainty avoidance
D) masculinity
Answer: D
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Easy
LO: 2.6: Describe how firms and culture interact and frameworks used to study culture.

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83) According to Hofstede's framework, cultures scoring high on the dimension of _____ generally have more relaxed lifestyles in which people are more concerned about caring for others as opposed to material gain.
A) feminity
B) ethnocentricity
C) imperialism
D) individualism
Answer: A
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Easy
LO: 2.6: Describe how firms and culture interact and frameworks used to study culture.

84) According to Hofstede's framework, cultures that score high on _____ value respect for tradition, thrift, and perseverance, and have strong work ethics.
A) power distance
B) masculinity
C) uncertainty avoidance
D) long-term orientation
Answer: D
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Easy
LO: 2.6: Describe how firms and culture interact and frameworks used to study culture.

85) According to Hofstede's framework, a culture that scores low on _____ is characterized by individual stability and reputation, fulfilling social obligations, and reciprocation of greetings and gifts.
A) collectivism
B) uncertainty avoidance
C) long-term orientation
D) feminity
Answer: C
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Easy
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86) According to Hofstede's framework, a culture that scores low on _____ can change more rapidly because tradition and commitment are not impediments to change.
A) masculinity
B) individualism
C) long-term orientation
D) risk-taking
Answer: C
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Easy
LO: 2.6: Describe how firms and culture interact and frameworks used to study culture.

Scenario: Frankfurter Friday
Betty Cleveland is the vice president of Frankfurter Friday, a highly successful hot dog joint in Oceania. Her company decides to expand to Asia and identifies China as the ideal market. Before she leaves for China, she studies their culture extensively and discovers that the number four is considered extremely unlucky, that not everybody is fluent in China's official language—Mandarin—and that punctuality is a highly valued trait in the country.

87) When selecting employees to help her establish their chain in China, she decides not to transfer Craig, as he believes that the people of China are less competent and skilled than the people of his country. What trait does Craig display?
A) individualism
B) imperialism
C) ethnocentricism
D) collectivism
Answer: C
AACSB: Diverse and multicultural work environments
Skill: Application
Difficulty: Hard
LO: 2.6: Describe how firms and culture interact and frameworks used to study culture.

88) Betty notices that organizations in China tend to be hierarchical with power derived from prestige and force. Which of the following statements is consistent with her observation?
A) Chinese society considers caste system and class system a myth.
B) Chinese men are subordinate to Chinese women.
C) China scores high on the power distance dimension.
D) China owes its success to its individualistic society.
Answer: C
AACSB: Analytical thinking
Skill: Application
Difficulty: Hard
LO: 2.6: Describe how firms and culture interact and frameworks used to study culture.

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89) Once in China, Betty witnesses the ease with which Chinese employees incorporate change and new ideas into their work—unlike the people of Oceania who prefer strong systems of rules and guidelines. Which of the following statements within Hofstede's framework is consistent with her observation?
A) China scores low on the uncertainty avoidance dimension.
B) China scores high on the feminity dimension.
C) Chinese organizations are the least entrepreneurial.
D) Chinese organizations have high levels of employee turnover.
Answer: A
AACSB: Analytical thinking
Skill: Application
Difficulty: Hard
LO: 2.6: Describe how firms and culture interact and frameworks used to study culture.

90) One of Betty's employees, Dan, oversees the hot dog joint's decor. He designs all menu cards in shades of red and gold because those are considered lucky colors in China. He also uses his knowledge of Feng Shui when designing the building's interior. The cultural component Dan is involved in is _____.
A) ethics
B) stratification
C) imperialism
D) aesthetics
Answer: D
AACSB: Diverse and multicultural work environments
Skill: Application
Difficulty: Hard
LO: 2.6: Describe how firms and culture interact and frameworks used to study culture.

91) Against Betty's judgment, her boss decides to market Frankfurter's beef sausages in the town of Xunagshi, believing that it would rake in a huge profit. Which of the following, if true, would prove that her boss's decision is a bad one?
A) There are very few vegetarians in Xunagshi.
B) Due to their exposure to the Western culture, the youth of Xunagshi is more open to fast food than the town elders.
C) The traditional dishes of Xunagshi are more expensive than the beef sausages.
D) Xunagshi has a large Hindu population, all of whom are forbidden from eating beef.
Answer: D
AACSB: Reflective thinking
Skill: Critical Thinking
Difficulty: Hard
LO: 2.6: Describe how firms and culture interact and frameworks used to study culture.

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92) Businesspeople measure material culture to determine whether a market can support production activities.
Answer: TRUE
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Moderate
LO: 2.6: Describe how firms and culture interact and frameworks used to study culture.

93) People in collectivistic cultures are given freedom to focus on personal goals.
Answer: FALSE
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Easy
LO: 2.6: Describe how firms and culture interact and frameworks used to study culture.

94) A culture with small power distance tends to be characterized by considerable inequality between superiors and subordinates.
Answer: FALSE
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Moderate
LO: 2.6: Describe how firms and culture interact and frameworks used to study culture.

95) Cultures that score low on uncertainty avoidance tend to be less open to change and new ideas.
Answer: FALSE
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Moderate
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96) Explain the Hofstede framework briefly.
Answer: The Hofstede framework compares cultures along five dimensions: (1) individualism vs. collectivism; (2) power distance; (3) uncertainty avoidance; (4) masculinity vs. femininity; and (5) long-term orientation.
The individualism vs. collectivism dimension identifies the extent to which a culture emphasizes the individual versus the group. Individualist cultures value hard work and promote entrepreneurial risk taking, thereby fostering invention and innovation. Although people are given freedom to focus on personal goals, they are held responsible for their actions. People in collectivist cultures, however, tend to work toward collective rather than personal goals and are responsible to the group for their actions. In turn, the group shares responsibility for the well-being of each of its members.
Power distance conveys the degree to which a culture accepts social inequality among its people. A culture with large power distance tends to be characterized by much inequality between superiors and subordinates. On the other hand, cultures with small power distance display a greater degree of equality, with prestige and rewards more equally shared between superiors and subordinates.
Uncertainty avoidance identifies the extent to which a culture avoids uncertainty and ambiguity. A culture with large uncertainty avoidance values security and places its faith in strong systems of rules and procedures in society. Cultures scoring low on uncertainty avoidance tend to be more open to change and new ideas.
Cultures scoring high on masculinity tend to be characterized more by personal assertiveness and the accumulation of wealth, typically translating into an entrepreneurial drive. Cultures scoring low on this dimension (greater tendency toward femininity) generally have more relaxed lifestyles, wherein people are more concerned about caring for others as opposed to material gain.
The dimension of long-term orientation indicates a society's time perspective and an attitude of overcoming obstacles with time, if not with will and strength. A high-scoring culture values respect for tradition, thrift, perseverance, and a sense of personal shame. A low-scoring culture is characterized by individual stability and reputation, fulfilling social obligations, and reciprocation of greetings and gifts. These cultures can change more rapidly because tradition and commitment are not impediments to change.
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97) Are the Kluckhohn-Strodtbeck and Hofstede frameworks useful for understanding subcultures? Why or why not?
Answer: The frameworks appear to be better suited for analyzing national culture than particular subcultures. Both frameworks describe cultures in terms of dimensions that apply to the entire culture. They attempt to identify features that can be used to understand a culture in an overarching way. They do not allow for the subtleties necessary to differentiate various aspects of subcultures. The frameworks could most likely be applied to subcultures, but their strengths seem to lie in providing succinct portraits of national culture that facilitate comparisons between countries.
AACSB: Analytical thinking
Skill: Application
Difficulty: Hard
LO: 2.6: Describe how firms and culture interact and frameworks used to study culture.

98) How can a nation's topography affect the existence of subcultures?
Answer: All the physical features that characterize the surface of a geographic region constitute its topography. The topography of an area can serve to promote or weaken subcultures. On the one hand, physically separating topography can reinforce subcultures and help keep them isolated by inhibiting communication. For example, mountain ranges and the formidable Gobi Desert consume two-thirds of China's land surface. Groups living in the valleys of these mountain ranges hold on to their own ways of life and speak their own languages.
At the same time, topography that promotes communication can enhance cultural diffusion. Some surface features such as navigable rivers and flat plains facilitate travel and contact with others and can potentially lead to more uniformity among cultural groups.
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Moderate
LO: 2.6: Describe how firms and culture interact and frameworks used to study culture.

99) Describe the relationship between culture and the physical environment.
Answer: Although physical environment affects a people's culture, it does not directly determine it. Two aspects of the physical environment that heavily influence a people's culture are topography and climate.
All the physical features that characterize the surface of a geographic region constitute its topography. Some surface features such as navigable rivers and flat plains facilitate travel and contact with others. By contrast, treacherous mountain ranges and large bodies of water can discourage contact. Cultures isolated by topographical features can find themselves less exposed to the cultural traits of other peoples, which can mean slower cultural change. Topography can impact consumers' product needs and can also have a profound impact on personal communication in a culture.
Climate affects where people settle and helps direct systems of distribution. It plays a large role in lifestyle and work habits, to which companies must adapt, and it also impacts customs such as the type of clothing people wear.
AACSB: Diverse and multicultural work environments
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100) Differentiate between folk and popular customs. Why are popular customs seen as a threat by some cultures? Support your answer with an example.
Answer: A folk custom is behavior, often dating back several generations, that is practiced by a homogeneous group of people. The wearing of turbans by Muslims in southern Asia and the art of belly dancing in Turkey are both folk customs. A popular custom is behavior shared by a heterogeneous group or by several groups. Popular customs can exist in just one culture or in two or more cultures at once. Wearing blue jeans and playing golf are both popular customs across the globe. Folk customs that spread by cultural diffusion to other regions develop into popular customs.
Despite their appeal, popular customs can be seen as a threat by some members of a culture. Authorities in a devoutly religious district of Indonesia's Aceh province banned Muslim women from wearing tight clothing, short skirts, and blue jeans. Islamic police set up raids to distribute long skirts to women found violating the ban and to confiscate their offending garments. Violators were released from custody after they provided their identities to police and received advice from Islamic preachers.
AACSB: Diverse and multicultural work environments
Skill: Concept
Difficulty: Moderate
LO: 2.6: Describe how firms and culture interact and frameworks used to study culture.

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