

Marketing II

Chapters 5 & 6 Review

Indicate whether the sentence or statement is true or false. If they are false, explain why.

- ___ 1. Charitable organizations and other non-profit businesses do not earn income.
- ___ 2. About 5 percent of U.S. businesses are classified as large businesses.
- ___ 3. Businesses cannot be forced to alter their workplaces in order to accommodate disabled employees.
- ___ 4. Although Ben and Jerry's Homemade Inc. contributes part of its pre-tax income to charitable and environmental causes, the company is a for-profit business.
- ___ 5. One of Asia's most important resources is its weather.
- ___ 6. The main benefit of NAFTA was increased trade between the U.S. and Mexico.
- ___ 7. China has an absolute advantage in the production of silk.

Short Answer

Identify the letter of the choice that best completes the statement or answers the question.

- ___ 8. How would you describe a company that voluntarily commits some of its income to helping the community?
- ___ 9. A physical therapist who works in a private orthopedic clinic is part of what segment of the industrial market?
- ___ 10. Which government agency limited the use of chlorine as a pesticide to trained professionals?
- ___ 11. What is the term for distributors who obtain goods from manufacturers and sell the goods to other industrial users?
- ___ 12. In 1989 the U.S. stopped importing grapes from Chile for one week after inspectors found poisoned fruit in one shipment. What is such an action called?
- ___ 13. What is the agency that was created to police the General Agreement on Tariffs and Trade (GATT)?
- ___ 14. What did the U.S. government use to produce revenue before it imposed income taxes on its labor force?
- ___ 15. What do U.S. fast food companies enter into in order to open franchises in foreign countries?
- ___ 16. In 1974, the U.S. embargoed all products from what country? The embargo was lifted 20 years later in order to re-establish trade relations between the two countries.

Completion

Complete each sentence or statement.

- 17. Roberto Ramirez owns the Soccer Shop, which sells everything related to soccer. Roberto belongs to the _____ segment of the industrial market.
- 18. Libraries that are supported by taxes and are not associated with universities or similar institutions are said to be part of the _____ sector.
- 19. _____ is the business activity that organizes and controls a company's resources, labor, and capital.
- 20. If a company's product is found to be impure or unsafe, the company is ethically obligated to _____ the product from sale.
- 21. One of the country's best-known supporters of consumerism is Ralph _____, the author of *Unsafe at Any Speed* and a candidate for U.S. President in 2000.
- 22. Although businesses actually trade with one another, it is the countries' _____ that negotiate trade agreements.

23. Each of the world's nations must obtain some goods and services from other nations. This mutual need to share resources is called economic _____.
24. The ability of U.S. firms to produce high-tech goods efficiently gives the U.S. a _____ advantage in the global marketplace.
25. A tariff whose purpose is to increase the cost of imported goods so that similar domestic goods can compete with the imports is called a _____ tariff.
26. A nation that imports more than it exports has a trade _____.
27. The U.S. controls imports through the customs division of the _____ Department.
28. England, France, Belgium, and 12 other countries belong to a trading bloc called the _____ Union.
29. When the U.S. government limits the number of cars that can be imported, the government is placing a trade barrier known as a _____ on the foreign-made cars.
30. The directors of Happy Tots Preschool use the income raised from tuition fees to pay teacher and staff salaries, buy materials, and maintain the school. All remaining money is used to assist local family health clinics. The preschool's financial practices indicate that it is a _____ organization.

Matching

Match each item with the correct statement.

- | | |
|----------------------|--------------------|
| a. derived demand | g. ethics |
| b. production | h. finance |
| c. consumerism | i. public sector |
| d. industrial market | j. family leave |
| e. management | k. consumer market |
| f. retailers | l. extractors |

- _____ 31. efforts to protect the public from unsafe products and deceptive business practices
- _____ 32. lumberjacks and fishermen
- _____ 33. organizations that are part of national, state, or local governments
- _____ 34. a process in which construction workers, farmers, and ballet dancers all participate
- _____ 35. guidelines for honest and fair actions
- _____ 36. a need for industrial goods that is created by consumers' needs and wants
- _____ 37. those who buy from or sell to one another for business purposes
- _____ 38. unpaid time away from a job to cope with births, deaths, and family illnesses without threat of job loss
- _____ 39. managing money
- _____ 40. accomplishing business goals by using resources wisely

Match each item with the correct statement.

- | | |
|---------------------|-------------------------------|
| a. multinationals | g. freight forwarders |
| b. balance of trade | h. comparative advantage |
| c. trade barriers | i. tariffs |
| d. customs brokers | j. foreign direct investments |
| e. embargo | k. mininationals |
| f. trade surplus | l. taxes |

- _____ 41. offices and manufacturing plants established abroad by domestic businesses
- _____ 42. occurs when a nation's exports exceed its imports
- _____ 43. large companies with a great number of foreign branches and affiliates
- _____ 44. restrictions on imports and exports among countries
- _____ 45. value gained when a country specializes in producing and selling certain goods
- _____ 46. a ban on certain goods entering or leaving a country
- _____ 47. the monetary difference between a country's imports and exports
- _____ 48. experts in the details of exporting goods
- _____ 49. specialists in the U.S. trade laws, procedures, and tariffs
- _____ 50. taxes on goods entering a country