## Applying the Concept Answers

**Applying the Concept 3-1: Trade Barriers**

Identify the dimension of cultural diversity exemplified by each statement.

A. Embargo

B. Quota

C. Subsidies

D. Tariff

**1. It’s not fair. The Chinese government is giving grants to its domestic businesses.**

C. Subsidies. Grants are one of the forms of subsidies.

**2. The Japanese government will not let us export any cars.**

A. Embargo. Not allowing any imports is an embargo.

**3. The Korean government is raising our prices by place a tax on our exported cars.**

D. Tariff. A tax is called a tariff in international trade.

**4. The South African government will only let us export 100 cars a year**

B. Quota. A set limited number of imports is a quota.

**Applying the Concept 3-2: Diversity Stereotypes**

Identify the negative stereotype that tend to leads to discrimination.

A. Age and generation

B. Gender and sexual orientation

C. Race and ethnicity

D. Disability and ability

E. Religious

F. Other

**5. They are too emotional and moody monthly to be good managers**

B. Gender. This statement refers to women.

**6. It’s not fair to let Muslims’ take extra breaks and have their own prayer room.**

E. Religious. Some people complain and are resentful when they believe others are getting special treatment they are not getting.

**7. I just don’t feel comfortable around the guy with a missing leg.**

D. Disability. Feeling uncomfortable around people with disabilities is not unusual.

**8. The only reason Joe hired the dumb blond was for her good looks.**

F. Other-attractive. Dumb blond is a negative stereotype of women (a gender), but she got the job because of her attractiveness.

**9. You can’t teach an old dog new tricks. Even though he has a lot less experience, teach him to run the new high tech machine.**

A. Age. It is a myth that older workers don’t want to learn, and can’t learn, new things.

**10.** **You know those people just don’t have the motivation to get a good education and advance.**

C. Race. The negative stereotype myth refers to minorities.

**Applying the Concept 3-3: GLOBE Dimensions**

Identify the dimension of cultural diversity exemplified by each statement.

A. Assertiveness

B. Future orientation

C. Gender differences

D. Uncertainty avoidance

E. Power distance

F. Societal collectivism

G. In-group collectivism

H. Performance orientation

I. Humane orientation

**11. The people in this country have one of the highest savings rates in the world.**

F. Societal collectivism. The preferred sports are team sports rather than individual sports.

**12. Managers throughout organizations in this country focus on getting the job done through teamwork.**

E. Power distance. Status symbols represent and show power distance.

**13. People in this country are known to be difficult to negotiate with.**

I. Humane orientation. Providing poor working conditions shows low caring toward people.

**14. In some companies in this country, the male managers go around kissing the female employees good morning; and the women get the coffee for the male managers.**

D. Uncertainty avoidance. They fear the uncertainty and uncomfortable feeling change brings.

**15. The people in this country follow the football/soccer team closely as they take great satisfaction from watching their team in the World Cup.**

H. Performance orientation. The statement illustrates high achievement and material success. You cannot tell if the incentives are individual or collective rewards.

**16. Managers place great importance on status symbols such as having the executive dining room, reserved parking spaces, and big offices.**

E. Power distance. Status symbols like separate dinning and parking represent and show power distance.

**17. Managers don’t really care about the safety of their employees and provide poor working conditions.**

I. Humane orientation. Providing poor working conditions shows low caring toward people.

**18. Employees get nervous and stressed when they even hear that changes are coming.**

D. Uncertainty avoidance. They fear the uncertainty and uncomfortable feeling change brings.

**194. Employees focus on constant small changes to make the products and processes better.**

H. Performance orientation. The statement illustrates striving for improvements.

**Applying the Concept 3-4: Global Practices**

Identify each practice as more likely to be used by large or small global companies:

A. Large MNCs

B. Small international companies

**20. Companies that develop a product in one country and then bring the product to other countries.**

B. Small international companies. They do not usually have the resources to introduce/market the product globally.

**21. Companies that only import and/or export to operate globally.**

B. Small international companies. They don’t have the resources to have their own facilities in other countries, so they tend to import and export.

**22. Companies that have foreign nationals among their top-level managers.**

A. Large MNCs. They have foreign nationals running direct investment facilities.

**23. Companies that make their products in other countries.**

A. Large MNCs. Small companies do not have the resources.

**24. Companies that develop the latest technology through R&D.**

A. Large MNCs. Small companies usually cannot afford to invest in R&D, so they quickly copy MNCs.

**Applying the Concept 3-5: Forms of Global Business**

Identify which activity or form of global business is described in each statement.

A. Global sourcing

B. Importing and exporting

C. Licensing and franchising

D. Contracting

E. Strategic alliance and joint venture

F. Direct investment

**25. Springfield College offers a master’s degree program in Israel at the Health and Behavioral Sciences College, which provides the facilities and administrative support.**

E. Joint venture and strategic alliances. This is a strategic alliance, which is a form of partnership joint venture even though a new company is not created.

**26. Philips in France makes TVs using speakers from Japan.**

A. Global sourcing. This is using foreign resources/parts as part of its final product.

**27. Tires R Us in the United States buys tires from Bridgestone in Japan for retail sale.**

B. Exporting/importing. Buying foreign goods for sale is importing.

**28. Chinese Alibaba buys a warehouse in America to distribute online orders in the United States.**

F. Direct investment. Buying a building is a direct investment.

**29. The American Children’s Television Workshop gives a Chinese company the right to make its Sesame Street character puppets.**

C. Licensing. Licensing involves allowing another country the right to use an asset.

**30. Whirlpool makes its appliances in its factory in Russia.**

F. Direct investment. This is a foreign subsidiary.

**31. Dell assembles its computers in the United States and sells them online to people globally.**

B. Exporting/importing. Selling computers in another country and shipping them is exporting.

**32. Costco has a Canadian company make some of its Kirkland brand items for sale in its U.S. stores.**

D. Contracting. The foreign firm only manufactures the product.

**33. Wilson Sporting Goods buys the rubber for tennis balls from Brazil.**

A. Global sourcing. This is using foreign resources/materials in a local product.

**34. McDonald’s makes a deal with an Italian businessperson to open a McDonald’s in Rome.**

C. Licensing and Franchising. This is giving a franchise.