# Chapter 22: Using International Logistics for Strategic Advantage

**TRUE/FALSE**

1. Most languages are difficult to learn, but some are easier than others.

ANS: T DIF: Easy REF: page 787

2. One of the reasons English is “everybody’s second language” is that it is the easiest language to learn.

ANS: T DIF: Easy REF: page 787

3. Among the criteria that the United States Department of State uses to determine whether a language is relatively easy or relatively difficult to learn is the complexity of the alphabet that language uses.

ANS: T DIF: Moderate REF: page 787

4. Arabic is among the easiest languages to learn, because it has a relatively simple grammar.

ANS: F DIF: Hard REF: page 787

5. Writing in International English is simply to follow that every writer knows: use short words that even children know how to spell; for example, “The Cat in the Hat” can be considered to have been written in International English.

ANS: F DIF: Moderate REF: page 788

6. A writer intent on following the rules of International English should always assume that the reader will use a small dictionary that only has a limited number of words, one in which only the most common use of a word is likely to be listed.

ANS: F DIF: Moderate REF: page 788

7. The sentence “We were all fired up about you’re proposal” is written in such a simple way that it is clearly understandable to someone who only has a limited understanding of English as a second language.

ANS: F DIF: Easy REF: page 789

8. International English was designed to reduce communication errors between native speakers of English and people who speak English as a second language.

ANS: T DIF: Easy REF: page 788

9. In a communication between a British company and a Thai customer, the British manager used the term “juxtaposition” in referring to a diagram of a quality control process. This very difficult word is likely to be misunderstood by the Thai customer.

ANS: F DIF: Moderate REF: page 788

10. Special English is used for written communications, just as International English is.

ANS: F DIF: Moderate REF: page 791

11. The Voice of America broadcasts can be heard in the United States on AM and FM stations.

ANS: F DIF: Moderate REF: page 791

12. When a foreigner does not understand something that a native English speaker is saying, it is best for the native speaker to repeat the sentence again, and add an explanation (or to rephrase the sentence after it is repeated).

ANS: T DIF: Moderate REF: page 792

13. The metric system is the preferred system of measurement in the entire world, with the exception of the United States and two other small countries.

ANS: T DIF: Easy REF: page 794

14. It is sometimes difficult to convert from one measure to another in the metric system, just as it is difficult to convert from cubic inches to gallons in the English system.

ANS: F DIF: Moderate REF: page 795

15. For an American exporter, converting to the metric system only involves multiplying the English units it is using in the domestic market by the appropriate conversion coefficient.

ANS: F DIF: Hard REF: page 796

17. When interacting with a foreign business person, it is generally best to adopt a formal form of address first, then to relax that position when it becomes clear that the foreigner is more comfortable with a less formal approach.

ANS: T DIF: Moderate REF: page 798

17. In most countries, private and business lives are intermingled, with no clear boundaries between the two settings.

ANS: F DIF: Easy REF: page 799

18. “Open-account” is the term of sale that is most likely to be acceptable to an importer.

ANS: T DIF: Moderate REF: page 800

19. In a transaction conducted in the exporter’s currency, it is the importer that carries the currency exchange rate risk.

ANS: T DIF: Easy REF: page 800

20. It is generally possible for an exporter accustomed to selling on a CIP basis to sell on an EXW basis, if that is what the importer requests.

ANS: T DIF: Moderate REF: page 801

21. For an exporter, a reputation to be careful and thorough in the preparation of paperwork can constitute a strategic advantage.

ANS: T DIF: Moderate REF: page 801

22. When selling to developing countries, an exporter should consider the possibility that the packaging used in a shipment will be recycled for other purposes, such as housing.

ANS: T DIF: Easy REF: page 802

**MULTIPLE CHOICE**

1. Among the following languages, which is considered by the United States Department of State as the easiest one to learn?

|  |  |  |  |
| --- | --- | --- | --- |
| a. | French | d. | Greek |
| b. | Japanese | e. | Turkish |
| c. | Finnish |

ANS: A

French is considered the easiest to learn as it uses the Roman alphabet and has a grammar similar to the English grammar. Japanese is complex, with three possible alphabets and a distinctly complex grammar, Finnish and Turkish use the Roman alphabet but use dissimilar grammars, and Greek uses a different alphabet, although its grammar is not too different.

DIF: Moderate REF: page 787

2. International English was designed

|  |  |  |  |
| --- | --- | --- | --- |
| a. | so that non-native speakers of English can communicate with native speakers of English. | d. | so that native speakers of English can communicate with other native speakers of English from a different country (eg. United States and New Zealand). |
| b. | so that non-native speakers of English can communicate with each other. | e. | as an international language that will eventually replace all other languages. |
| c. | so that native speakers of English can communicate with non-native speakers of English. |

ANS: C

International English was designed specifically for native speakers of English so that they can communicate accurately with non-native speakers.

DIF: Moderate REF: page 787

3. A person intent on using International English would favor which of the following sentences in a memo from a marketing department to a distributor located in a foreign country?

|  |  |  |  |
| --- | --- | --- | --- |
| a. | “We advocate a team approach to ...” | d. | “You and us should work together to ...” |
| b. | “We prefer that we work together to ...” | e. | “We should huddle to ... ” |
| c. | “We should work together to ...” |

ANS: C

The “rules” of International English call for no sport-related or culturally-related vocabulary (as indicated by “team”), no ambiguity (it is not clear in the distinction between multiple “we”s), and no grammatical mistake (”you and we”).

DIF: Hard REF: page 788

4. Which is the correct way of writing May 7, 2022 in International English?

|  |  |  |  |
| --- | --- | --- | --- |
| a. | 05/07/22 | d. | 07 May 2022 |
| b. | 22/05/07 | e. | all answers in this answer set are acceptable alternatives |
| c. | 07/05/22 |

ANS: D

Only using numbers is ambiguous and every country has a different standard in reading those numbers as dates. The date written out as 07 May 2006 is unambiguous and will be understood by all people.

DIF: Easy REF: page 788

5. Generally speaking, a writer would use International English to ensure that communication is

|  |  |  |  |
| --- | --- | --- | --- |
| a. | clear. | d. | unintelligible to E2 speakers. |
| b. | ambiguous. | e. | easier to write. |
| c. | laden with cultural references. |

ANS: A

International English's objectives are to make the content clear to an E2 speaker. It is not easier to write.

DIF: Moderate REF: page 787

6. “Special English” is a simplified version of spoken English that was developed by

|  |  |  |  |
| --- | --- | --- | --- |
| a. | the British Broadcasting Corporation. | d. | the United States Department of State. |
| b. | the Voice of America. | e. | the United Nations' simultaneous translation office. |
| c. | the Central Intelligence Agency. |

ANS: B

The Voice of America developed this technique.

DIF: Easy REF: page 791

7. The U.S. system of measurements, also called the English measurement system, has five different types of ounces. Which is NOT one of them?

|  |  |  |  |
| --- | --- | --- | --- |
| a. | *avoirdupois* ounces | d. | apothecary ounces |
| b. | paper ounces | e. | troy ounces |
| c. | imperial fluid ounces |

ANS: B

*Avoirdupois* ounces, imperial fluid ounces, and apothecary ounces are noted in the text. Paper thickness is generally measured in pounds.

DIF: Moderate REF: page 795

8. The metric system has pre-set prefixes for multiples of a unit. Which of the following prefixes corresponds to fractions of a unit?

|  |  |  |  |
| --- | --- | --- | --- |
| a. | milli, centi and deci | d. | giga, mega, and kilo |
| b. | deka, hecto and kilo | e. | quarter, tenth, and hundredth |
| c. | quartile, quintile, and decile |

ANS: A

There are millimeters, centimeters, and decimeters, although the latter is rarely used. Deka, hecto and kilo, as well as giga, mega, and kilo correspond to multiples of a unit.

DIF: Easy REF: page 796

9. One of the reasons it is preferable to use the metric system is international transactions is that

|  |  |  |  |
| --- | --- | --- | --- |
| a. | it is the only system of measurement in most countries of the world. | d. | of all of the systems of measurement in the world, it is the simplest one to use. |
| b. | it is the preferred system of measurement in most countries of the world. | e. | it is more widely accepted than the English system of measurements |
| c. | it is one of the most commonly used system of measurements in the world. |

ANS: A

With the exception of the United States and a couple of other countries (Liberia and Myanmar-Burma), the metric system is the only system of measurement in the world. While some vestiges of the English system of measurement still exist in the United Kingdom, they are actively discouraged.

DIF: Hard REF: page 794

10. One of the better sources for finding specific information about the cultural characteristics of a country is

|  |  |  |  |
| --- | --- | --- | --- |
| a. | *Cultural Vignettes* published by the British Broadcasting Corp. | d. | *Environmental Summaries* published by the Central Intelligence Agency. |
| b. | *Culturegrams* published by Brigham Young University. | e. | o one publishes about cultural characteristics, because they are difficult to explain. |
| c. | *Cultural Background* *Notes* published by the U.S. Department of State. |

ANS: B

Only the *Culturegrams* published by Brigham Young University are mentioned in the text as synopses of a given country’s culture. The other three do not exist.

DIF: Moderate REF: page 799

11. When meeting a person of foreign culture for the first time, it is often preferable to approach that person with much

|  |  |  |  |
| --- | --- | --- | --- |
| a. | caution. | d. | anticipation. |
| b. | formality. | e. | friendliness. |
| c. | casualness. |

ANS: B

Formality is preferable in all situations in which two persons from different cultures interact so as to not offend anyone.

DIF: Moderate REF: page 798

12. The adage “When in Rome, do as the Romans do” refers to

|  |  |  |  |
| --- | --- | --- | --- |
| a. | an international trader in a foreign situation should seek to behave as the Romans did. | d. | an international trader in a foreign situation should seek to behave, as much as possible, as if he were home. |
| b. | an international trader in a foreign situation should seek to model his behavior on that of his hosts. | e. | an international trader in a foreign situation should behave according to a standard of behavior developed by the Treaty of Rome. |
| c. | an international trader in a foreign situation will always “stick out” and cannot blend in. |

ANS: B

The overall preference is to adapt to the hosts’ behavior.

DIF: Moderate REF: page 799

13. The most unfavorable terms of payment from the perspective of an importer is

|  |  |  |  |
| --- | --- | --- | --- |
| a. | open-account | d. | cash in advance |
| b. | documentary collection | e. | documentary credit |
| c. | letter of credit |

ANS: D

Cash in advance is the least likely to generate a sale.

DIF: Easy REF: page 800

14. Which is the preferred currency of payment for an importer who expects that the value of his currency will appreciate relative to the value of the currency of the exporter’s country?

|  |  |  |  |
| --- | --- | --- | --- |
| a. | exporter’s country currency | d. | an artificial currency, such as the SDR |
| b. | importer’s country currency | e. | the choice of currency has not impact, as long as the transaction is on a letter of credit. |
| c. | a third country’s currency, such as the euro |

ANS: A

The best alternative for the importer is to have to pay in the exporter’s currency, since it will, in his opinion, be worth less in the future, at the time of payment, than it does now, at the time at which the contract is negotiated.

DIF: Hard REF: page 800

15. The main reason(s) for an exporter to consistently offer quotes in the importer’s currency is that it makes it easier for the importer

|  |  |  |  |
| --- | --- | --- | --- |
| a. | to determine what its actual costs will be. | d. | to obtain the cash to eventually make the payment. |
| b. | to avoid currency fluctuation risks. | e. | to understand the amount it is being asked to pay. |
| c. | to be able to use its own bank. |

ANS: B

Although it helps in determining costs, it is mostly to avoid currency fluctuation risks that an importer wants to deal in its own currency.

DIF: Moderate REF: page 800

16. Which of the following Incoterms Rule is the most customer-friendly?

|  |  |  |  |
| --- | --- | --- | --- |
| a. | Free On Board | d. | Cost, Insurance and Freight |
| b. | Free Alongside Ship | e. | Delivered At Place |
| c. | Free Carrier |

ANS: D

Under the CIF Incoterm, the exporter provides more services than the other three Incoterms listed (FOB, FCA, and FAS), Under DAP, the exporter provides more services.

DIF: Hard REF: page 801

17. The exporter is responsible for providing good, clear documents in the correct number of originals and copies

|  |  |  |  |
| --- | --- | --- | --- |
| a. | in all cases. | d. | only if the importer has requested a shipment under a C-type Incoterm (CIF, CIP, CFR, or CPT). |
| b. | only if the exporter is the exporter of record for Customs purposes. | e. | only when the Incoterms Rule used is a maritime Incoterm. |
| c. | only if the export is conducted in the exporter’s currency. |

ANS: A

Regardless of the Incoterm used, the exporter is responsible for the providing all of the documents.

DIF: Moderate REF: page 801

18. In international trade, which is NOT a consequence of improper packaging?

|  |  |  |  |
| --- | --- | --- | --- |
| a. | allow an insurance company to deny a claim. | d. | pose a risk to the importer's employees when they unload the goods. |
| b. | cause ill-will on the part of the importer. | e. | increase the shipping costs, because the carrier has to protect the goods further. |
| c. | have negative consequences on the goods being shipped. |

ANS: E

Improper packaging can cause all of the above to occur.

DIF: Moderate REF: page 802

COMPLETION

1. Worldwide, the language which is generally considered to be the easiest to learn is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

ANS: English

DIF: Moderate REF: page 787

2. The technique developed by Edmond Weiss to communicate clearly and accurately with non-native English speakers is called \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

ANS: International English

DIF: Easy REF: page 787

3. \_\_\_\_\_\_\_\_\_\_ is a company that has circumvented the translation problem in its instruction manuals by using pictorials.

ANS: Ikea

DIF: Moderate REF: page794

4. The technique developed by the British Broadcasting Corporation to communicate clearly and accurately with non-native English speakers is called \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

ANS: Special English

DIF: Moderate REF: page 791

5. The system of measurement used by just about every country in the world, and which is formally known as the International System of Units is commonly known as the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ system.

ANS: metric

DIF: Easy REF: page 794

6. An advantage of the metric system is that all of its units (meters, liters, grams) have fractions and multiples that are based on a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ system.

ANS: decimal

DIF: Hard REF: page 794

7. When unsure about the proper way to address a new acquaintance abroad, it is best to err on the side of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ rather than casual communication.

ANS: formality

DIF: Moderate REF: page 799

8. In many countries, work and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ rarely intersect. In other countries, they are closely tied to one another.

ANS: private life

DIF: Hard REF: page 799

9. In considering the speed at which an e-mail from a foreign interlocutor should be answered, the best strategy is to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ what has been observed from other contacts in that country.

ANS: replicate/mirror

DIF: Hard REF: page 799

10. When providing a quote to a potential customer abroad, it is best to provide the importer with \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Incoterm alternatives.

ANS: multiple

DIF: Easy REF: page 801