**Chapter 12 Quiz**

1. What is the rate of return the firm makes on its invested capital?

a) Profit growth

b) Profitability

c) Net return

d) Value created

2. Which of the following is *not* an example of aprimary activity?

a) Logistics

b) Marketing and sales

c) Customer service

d) Production

3. What is created when different stages of a value chain are dispersed to locations where value added is maximized or where the costs of value creation are minimized?

a) Experience effects

b) Learning effects

c) Economies of scale

d) A global web

4. Which of the following is *not* a pressure for local responsiveness?

a) Excess capacity

b) Host government demands

c) Differences in consumer tastes and preferences

d) Differences in distribution channels

5. Which strategy tries to simultaneously achieve low costs through location economies, economies of scale, and learning effects, and differentiate the product offering across geographic markets to account for local differences?

a) Internationalization

b) Localization

c) Global standardization

d) Transnational

6. Which strategy makes sense when pressures are high for local responsiveness, but low for cost reductions?

a) Global standardization strategy

b) International strategy

c) Transnational strategy

d) Localization strategy