

## NASBITE CGBP Sample Questions

*Note: There are five questions from each of the four domains presented in order by domain with question 1-5 from Global Business Management; 6-10 from Global Marketing; 11-15 from Supply Chain Management; and 16-20 from Trade Finance. On the actual exam, the questions are presented randomly from each of the four domains.*

1. A primary function of \_\_\_\_\_ is/are to anticipate the possibility of default or delay in payments by foreign borrowers.
  - (a) market size and trend analysis
  - (b) competitive analysis
  - (c) country risk assessment
  - (d) supply chain and logistics models
  
2. Transfer pricing is an issue facing U.S. exporters:
  - (a) when selling to any foreign buyer.
  - (b) when selling to any foreign buyer and the invoice price is less than comparable U.S. price.
  - (c) when selling to any foreign buyer and the invoice price is more than comparable U.S. price.
  - (d) only when selling to a related foreign buyer.
  
3. Which of the following is primarily responsible for regulating the export of non-military U.S. goods and technologies?
  - (a) Customs and Border Protection
  - (b) Department of Defense
  - (c) Department of State
  - (d) Bureau of Industry and Security
  
4. Which of the following is a source of primary data about foreign markets?
  - (a) Newspaper
  - (b) Customer survey
  - (c) Chamber of Commerce
  - (d) Trade journal
  
5. The Foreign Corrupt Practices Act applies:
  - (a) to all foreign countries.
  - (b) only to countries that have reciprocal Foreign Corrupt Practices Acts.
  - (c) only to countries that have bilateral trade agreements with the U.S.
  - (d) only to countries on the Embargoed Country List.

6. If a company charges different prices for the same product in different foreign markets, it may be encouraging one of the following market conditions for its product:
- (a) Gray market
  - (b) Market exchange
  - (c) White market
  - (d) Blue market
7. Which of the following government resources would be appropriate to pre-arrange meetings with potential foreign buyers?
- (a) Trade Information Center
  - (b) U.S. Commercial Service
  - (c) Country Desk Officers
  - (d) Export Administration Hotline
8. A company has decided to sell its products internationally through the use of an Export Management Company. This would best be described as:
- (a) indirect exporting.
  - (b) direct exporting.
  - (c) broker exporting.
  - (d) management exporting.
9. A country's use of quotas is an example of:
- (a) foreign exchange controls.
  - (b) tariff barriers.
  - (c) non-tariff barriers.
  - (d) local content requirements.
10. Which of the following would be a common element found in most distributor agreements?
- (a) Incoterm clause
  - (b) Logistics clause
  - (c) Tariff clause
  - (d) Exclusivity or non-exclusivity clause
11. Which of the following Incoterms would mean the main carriage is paid by the seller?
- (a) FAS
  - (b) CIF
  - (c) FOB
  - (d) EXW

12. A manufacturer is interested in shipping its product to a foreign country. The product costs \$1 per unit to make. The duties and taxes are \$.50 per unit, and the shipping costs are \$.10 per unit. What is the landed cost to ship 1000 units?
- (a) \$600
  - (b) \$1100
  - (c) \$1500
  - (d) \$1600
13. SNAP can be used to apply for a/an?
- (a) ATA Carnet
  - (b) Certificate of origin
  - (c) Letter of credit
  - (d) U.S. export license
14. A manufacturer located in the customs territory of the United States imports lenses from Japan. The lenses are incorporated into sunglasses that are then exported to Malaysia. Which of the following statements is correct?
- (a) Nearly all the of the customs duty on the import of the lenses may be recovered from U.S. Customs.
  - (b) No duty is charged on the lenses upon import, because they are destined for export in the form of sunglasses.
  - (c) None of the customs duty on the import of lenses may be recovered from U.S. Customs.
  - (d) U.S. Customs duty charged on the import of lenses may be deducted from the Malaysian duty paid on the sunglasses.
15. The U.N. Convention on Contracts for the International Sales of Goods has:
- (a) not gained sufficient multilateral support.
  - (b) little impact in court.
  - (c) established a uniform framework for international sales contracts.
  - (d) established the means for determining fair market value.
16. Which of the following forms of assistance is available to US exporters from the Export-Import Bank in connection with export contracts?
- (a) Confirmation of letter of credit
  - (b) Forward exchange
  - (c) Credit insurance
  - (d) Protesting bills of exchange

17. Which of the following payment terms presents the LEAST risk to the exporter?
- (a) Irrevocable letter of credit confirmed by a major U.S. bank
  - (b) Irrevocable letter of credit advised by a major bank in the buyer's country
  - (c) Bank guarantee advised by a major bank in the buyer's country
  - (d) Documentary collection
18. Imported products become more expensive to U.S. importers when the:
- (a) interest rates rise in the foreign exporter's country.
  - (b) U.S. dollar weakens in relation to the foreign exporter's currency.
  - (c) U.S. dollar strengthens in relation to the foreign exporter's currency.
  - (d) U.S. reduces tariffs on imports.
19. An irrevocable letter of credit can be changed by the:
- (a) agreement of all parties.
  - (b) beneficiary only.
  - (c) advising bank only.
  - (d) applicant only.
20. For an exporter considering open account terms with a foreign buyer, which of the following is an appropriate source of financial information on the buyer?
- (a) International Monetary Fund
  - (b) [www.export.gov](http://www.export.gov)
  - (c) World Trade Organization
  - (d) Dun & Bradstreet

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**Answer Key – NASBITE CGBP Sample Questions:**

| Question | Answer |
|----------|--------|
| 1        | C      |
| 2        | D      |
| 3        | D      |
| 4        | B      |
| 5        | A      |
| 6        | A      |
| 7        | B      |
| 8        | A      |
| 9        | C      |
| 10       | D      |
| 11       | B      |
| 12       | D      |
| 13       | D      |
| 14       | A      |
| 15       | C      |
| 16       | C      |
| 17       | A      |
| 18       | B      |
| 19       | A      |
| 20       | D      |