

Media based m-choice questions, covering media stories Jan 23rd – Feb 12th 2008
Mid-term Exam February 2008

1. Trade Relationships. Not long ago, Canada arranged a free trade relationship with Chile. With which country in South America is Canada currently (Jan-Feb 2008) pursuing a free trade deal

- A. Argentina
B. Colombia
C. Brazil
D. Peru

2. Foreign Direct Investment into Canada. For some business sectors, and for some types of companies, it is necessary to get approval of the federal government before a foreign company can buy a Canadian company. Cognos, based in Ottawa is known for its “business intelligence” software and is Canada’s largest software company. 4th week in January 2008, which company recently received Ottawa’s approval to proceed with buying Cognos

- A. Microsoft – software company
B. Oracle – software company
C. IBM – hardware company
D. AOL Time Warner – media company
E. Google – software company

4. Foreign Direct Investment outside Canada. The economy of South Africa, and the future of Canadian FDI (Foreign Direct Investment) in mining in South Africa, has been recently (4th week of January 2008) effected by

- A. massive labour strikes
B. cuts in electrical power production
C. resurrection of a race-based civil war
D. heavy rains effecting the railroads

5. Foreign Direct Investment outside Canada. Some Canadian companies face negative situations in the political environment in the process of developing their FDI. As reported on the front page of the Report on Business in the Globe & Mail, in the 4th week of January Canadian gold mining giant Iamgold Corp, was thwarted by

- A. being denied permits for construction in French Guiana by the French government
B. having to pay special fees to the Mexican government for processing their gold ore in southern Mexico
C. having to pay “special fees” to Russian government officials for mining rights in Siberia
D. being shut out of mining in Vietnam by the political actions of the Chinese government
E. massive currency exchange losses when the price of gold briefly fell to \$770 per ounce based on news about new U.S. regulations for investors

6. Foreign Direct Investment outside Canada. Canada’s banks are aggressively expanding in Latin America and the Caribbean, some are doing this because historically they have been in the region for many years, others are new to the area. This Canadian bank, _____ (which has an option to buy Altas Cumbres’s Banco del Trabajo in Peru) announced it was buying banks in Guatemala and the Dominican Republic from Chile’s GAC

- A. Royal Bank
B. Bank of Montreal
C. TD Canada Trust
D. CIBC
E. Scotiabank

7. In the context of the economic environment influenced by changes in the social-cultural environment. From the front page of the business section of the Toronto Star Jan 30 (the night of Test One) – a story about the CMHC (Canada Mortgage and Housing Corporation) doing a study of Islamic banking according to sharia laws. Opposition to the study was strongly expressed by _____ who said it was uncalled for and objected to a Crown corporation using taxpayer money to study “faith-based” banking saying “religion has no place in banking”

- A. the Canadian Chamber of Commerce
B. the Toronto Board of Trade
C. the Muslim Canadian Congress
D. the Ontario Ministry of Economic Development

8. From the front page of the Business section of the Toronto Star Feb 5th “Slowdown: Chrysler plants hit by parts crisis”. What was the crisis?

- A. A new tariff calculation by CBS Canada Border Services against a component part from Asia
- B. The union threatened to walk out due to unsafe working conditions in the engine parts section
- C. a slow down in production because of a dispute with U.S. parts supplier Plastech. Plastech has filed for bankruptcy in the U.S.
- D. More than 50% of the imported parts were found to have paint that was tainted with lead from China
- E. the APMA – Automotive Parts Manufacturers Association of Canada lodged a formal complaint about Plastech “dumping” low cost transmission parts in Ontario

9. The “Economic Environment”: Everybody around the world talks about China’s economic power based on their manufacturing exports. As a result of so much money flowing in the country, it has made changes in the way everyday consumers can afford things. An article in the Toronto Star Feb 6th, noted in large bold type that

- A. “Rising inflation” is challenging China and effecting political stability
- B. “Lower prices” are drastically increasing consumption and the welfare of everybody
- C. “Lower prices” – deflation is common in the rural areas
- D. “Rising prices” mean lower costs for industry
- E. “Lower prices” mean foreigners are increasing FDI

10. The “Competitive Environment”. From the front page of the Business Section of the Toronto Star Feb 7th (and also carried in other newspapers), which U.S. based auto company (which assembles vehicles in Canada) said they would shut their Windsor engine plant and eliminate 600 jobs in 2009 – citing “stiff global competition”

- A. Chrysler
- B. Ford
- C. General Motors
- D. Toyota U.S.A.

11. Many people watching the “economic environment” in the U.S.A. are very worried about how the American housing crisis may have an effect on the Canadian housing market and financing for housing. As noted in bold type in the Business Section of the Toronto Star Feb 7th (and also carried in other newspapers) in recent months (Dec 2007) there has been

- A. a surge in the record number of building permits – as recorded by Statistics Canada
- B. a flattening in the number of building permits – as recorded by Statistics Canada
- C. a slight decline in the number of building permits – as recorded by Statistics Canada

12. The Canadian Dollar. It was pretty kewl that the Loonie was higher than the U.S. dollar in December 2007, and part of Jan 2008 and a few days in the first week of Feb 2008 – the question is will it continue, or will it fall back to the mid 90 cent range. Famous American investor Warren Buffett gave an exclusive interview to the Globe & Mail in the end of the first week of February. Carried on the front page of the Globe & Mail’s Report on Business Feb 7th Buffett opinioned that

- A. the Canadian dollar will “continue to appreciate against the greenback”
- B. flatten out and hover between 98 and 1.02
- C. “my analysts say your Loonie will decline slowly” to the 91, 92 cent range

13. It has been said that the degree to which a country is able to support an aircraft industry is an indicator of that country’s technology and strong economy – and since aircraft industries are also related to fighter jets, a country’s aircraft industry is also considered to be related to “national sovereignty” and security issues, which is one of the reasons these industries get a lot of subsidies and government support. Canada has several companies that are global players in aviation – most know about Bombardier; but we also have a well known company called CAE which makes flight simulators. CAE sells products and services worldwide. In the Toronto Star Fri Feb 8th, a story heading in large font said “CAE will train pilots in _____”. This is interesting because CAE is not just selling the product and associated software, but also doing training on site in this country.

- A. China
- B. Saudi Arabia
- C. South Korea
- D. India

14. The circumstance of Microsoft buying Yahoo, and Google's reaction, has been the subject of several newspaper, radio and TV stories in the first week of Feb 2008. Interviewed in the Globe & Mail's Report on Business Feb 8th Prof. Richardson said (and it was quoted in large bold font) that it was Google's _____ not just technology [the search engine algorithm] that keeps it No. 1

- A. money spent on paid advertising
 B. celebrity
 C. revenues from "Ad Words"
 D. search results

15. The effect of the "Economic environment" on jobs is critical for students in 3rd and 4th year thinking about graduating and finding work. "U.S. Job Gloom Deepens" was the big heading on a story in the Globe & Mail's Report on Business Feb 9th. How are newspapers reporting the situation in Canada?

- A. job postings are declining slightly
 B. Canadian employment is flat lining
 C. Canada is on a hiring binge

16. It has been previously mentioned in C44 that Canada is the U.S.A's largest source of oil, but we do not provide ALL, - Americans still need a lot from other countries. At the beginning of the 2nd week in February (Monday the 11th) several newspapers and TV programs noted that the leader of this OPEC member was threatening to block oil shipments to the U.S.

- A. Saudia Arabia
 B. Iran
 C. Venezuela
 D. Indonesia
 E. the United Arab Emirates

17. From the front page of the business section of the Toronto Star Feb 12th "1,200 Kitchener jobs going". Kitcher, together with Guelph, Cambridge & Waterloo has been termed "Canada's Technology Triangle". In what sector are these jobs being lost?

- A. telecomm – mostly from R.I.M. which has seen "challenges" in the competitive environment
 B. auto parts – as G.M. cuts back
 C. hospitality – a medium sized chain of hotels has collapsed
 D. furniture – the Amish are cutting back !
 E. healthcare – Kitchener General Hospital has closed, including its cancer research wing

18. Telecom Mergers. , first and second week of Feb 2008, Nortel is talking with

- A. Nokia
 B. Mitsubishi Electric
 C. Motorola
 D. Samsung North America
 E. Ericson

19. Discussed in the Globe & Mail and other newspapers, The World Trade Organization issued an official condemnation of Chinese commercial practices, officials said Wednesday, calling it a victory for the United States, European Union and Canada in a dispute over car parts. The WTO found that China was breaking trade rules by

- A. using unsafe materials
 B. improperly taxing imports of auto parts at the same rate as foreign-made finished cars
 C. by employing "quotas" refusing to allow a sufficient number of cars to come in to the country
 D. giving favourable tariff rates to Japan, but not North America or the EU

20. FDI into Canada. From a headline in the Financial Post, state-run National Mineral Development Corp (NMDC) has submitted an expression of interest for a stake in an iron ore mine in Canada. NMDC is a company from

- A. China
 B. Brazil
 C. U.S.A.
 D. India
 E. Australia