
GLOBAL BUSINESS

Overview

The global economy is a complex, continually flowing, and constantly changing network of information, goods, services, and cultures. Most nations rely on other nations for natural resources to supply their needs and wants. Global business also provides new markets and investment opportunities as well as promotion of better relationships.

This event consists of two parts: an objective test and a role play. If competing as a team, the objective test is taken collaboratively by the team. The top fifteen individuals/teams scoring the highest on the objective test will advance to the final round and participate in the role play component. The role play case will be a problem encountered in the international/global arena.

This event is for an individual or a team of two or three members.

Competencies and Task Lists

<http://www.fbla-pbl.org/competitive-event/global-business/>

Website Resources

- Business Terms
<http://www.importexporthelp.com/a/business-terms.htm>
- Conversion Tables
<http://www.convert-me.com/en/>
- Currency Converter
<http://www.oanda.com/converter/classic>
- Global Resource Directory
<http://globaledge.msu.edu/Global-Resources>
- International Business Culture, Customs, and Etiquette
<https://www.marcaria.com/ws/en/articles/international-business-etiquette-customs-and-culture>

GLOBAL BUSINESS SAMPLE QUESTIONS

1) International business:

- A) has existed for thousands of years
- B) is becoming less prevalent over time
- C) is a new concept
- D) will decline as countries become more industrialized

Competency: Basic International Concepts

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- 2) A less-developed country probably will **not** have:
- A) an emphasis on agriculture and mining
 - B) a highly educated population
 - C) low economic wealth
 - D) poor housing and health care

Competency: Basic International Concepts

- 3) The forces of supply and demand are the major influence on prices in:
- A) pure competition.
 - B) free enterprise.
 - C) an oligopoly.
 - D) a duty-free market.

Competency: Basic International Concepts

- 4) A car manufacturing plant decides to locate in the United States instead of Korea. The lost benefits of **not** locating the plant in Korea is an example of:
- A) lost opportunity
 - B) superior choice
 - C) rational decision making
 - D) opportunity cost

Competency: Basic International Concepts

- 5) The economic conditions of a country refer to its:
- A) decisions regarding the use of resources
 - B) policies toward regulation of business
 - C) social relationships among the country's people
 - D) type of government

Competency: Basic International Concepts

- 6) A method of international business with the lowest risk is:
- A) indirect exporting
 - B) a joint venture
 - C) franchising
 - D) foreign direct investment

Competency: Ownership and Management

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- 7) Which function of management includes evaluating a management decision made by leaders of a multinational company?
- A) planning
 - B) organizing
 - C) implementing
 - D) controlling

Competency: Ownership and Management

- 8) Producing a good or service at the lowest cost while maintaining high quality is the goal of:
- A) operations management
 - B) sales management
 - C) a product standard
 - D) forecasting

Competency: Ownership and Management

- 9) _____ occurs when a company sells its product for very low prices in other countries, making it nearly impossible for competitors to conduct business.
- A) Low balling
 - B) Dumping
 - C) Importing
 - D) Exporting

Competency: Ownership and Management

- 10) International competitive advantage exists when a company:
- A) produces a comparable product at the same cost as others in the market
 - B) has about the same manufacturing costs as other companies in the market
 - C) builds the best reputation for quality of all companies in the market
 - D) employs the most employees

Competency: Ownership and Management

- 11) All of the following are reasons why union membership has declined in most countries **except**:
- A) working conditions in service businesses are very different from those in manufacturing businesses
 - B) manufacturing industries are such a large part of a country's economy
 - C) membership dues have increased considerably
 - D) governments have enacted legislation that protects workers

Competency: Legal Issues

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- 12) Culture is **not**:
- A) learned
 - B) unifying
 - C) shared
 - D) always written down

Competency: Communication (Including Culture and Language)

- 13) International business meeting failure is **not** due to:
- A) planning a quick trip
 - B) expecting a meeting to start on time
 - C) trying to multitask to accomplish the maximum results
 - D) expecting the unexpected and be prepared for a variety of situations

Competency: Communication (Including Culture and Language)

- 14) All of the following choices are stages of the culture shock process **except**:
- A) frustration, anger, or depression
 - B) total rejection of the new culture after a lengthy stay there
 - C) happiness or euphoria
 - D) acceptance of the new culture

Competency: Marketing

- 15) Consumer reactions to advertising and other mass communication techniques can be tracked through:
- A) direct communication
 - B) marketing research
 - C) the number of magazine or newspaper subscriptions
 - D) observation

Competency: Marketing

- 16) International sales promotions:
- A) include advertising, publicity, and personal selling
 - B) are not usually very expensive
 - C) generate immediate, short-term sales
 - D) create customer loyalty

Competency: Marketing

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- 17) Wholesalers benefit the economy and other businesses by:
- A) selling products to manufacturers
 - B) being intermediaries between producers and sellers
 - C) being intermediaries between sellers and customers
 - D) buying products from retailers

Competency: Marketing

- 18) An example of a distribution activity of a business is:
- A) wholesaling
 - B) sales promotions
 - C) pricing
 - D) packaging

Competency: Marketing

- 19) Rising prices and diminished purchasing power are characteristics of:
- A) prosperity
 - B) inflation
 - C) depression
 - D) recession

Competency: Taxes and Government Regulations

- 20) An example of an economic risk for a multinational company would be:
- A) political instability
 - B) government regulations
 - C) currency value
 - D) family structure in a country

Competency: Treaties and Trade Agreements

- 21) Tariffs are used to:
- A) eliminate the sale
 - B) encourage the purchase
 - C) discourage the purchase
 - D) decrease the price

Competency: Treaties and Trade Agreements

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- 22) A currency future is:
- A) a contract
 - B) an exchange rate
 - C) a projected currency value
 - D) an exchange control

Competency: Currency Exchange

- 23) Capital resources include:
- A) buildings, money, and equipment
 - B) factories, mines, and talented personnel
 - C) gold, silver, and other minerals
 - D) labor force

Competency: Finance

- 24) _____ -is an agreement where a company in one country agrees to have a different company in another country manage the building of the building of the foreign company's product.
- A) Franchising
 - B) Foreign direct investment
 - C) Licensing
 - D) Management contracting

Competency: Finance

- 25) Which one of the following is not a function of the International Monetary Fund?
- A) regulates international stock markets
 - B) lends to countries with balance of payment difficulties
 - C) provides technical assistance in its areas of expertise
 - D) monitors the economy

Competency: Finance

- 26) An exporting company wants to add fire coverage for a warehouse in Canada. The certificate that would be needed to make this change to the insurance policy is called an:
- A) exclusion
 - B) endorsement
 - C) equity clause
 - D) insurance certificate

Competency: Finance