

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 is a team event composed of two or three members. This event consists of two parts: an objective test and a performance. The objective test is taken collaboratively by the team members and the top ten (10) teams scoring the highest on the objective test will advance to the final round and participate in the performance component.

Competencies and Task Lists

http://www.fbla-pbl.org/docs/ct/FBLA/GLOBAL_BUSINESS.pdf

Web Site Resources

- Business Education Links
<http://lessonplans.btskinner.com/>
- 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>
- International Business Culture, Customs, and Etiquette
<http://www.executiveplanet.com/>
- International Business Glossary
http://www.mhhe.com/business/management/hill/student/olc/gl_a.html

GLOBAL BUSINESS SAMPLE QUESTIONS

1. _____ risk refers to the interference with the ongoing operations of a firm.
 - a. Ownership
 - b. Commercial
 - c. Operating
 - d. Political
2. The _____ structure combines various different structures.
 - a. graphic
 - b. hybrid
 - c. area
 - d. matrix
3. The mixed structure:
 - a. combines various different structures
 - b. involves geographic divisions that are responsible for all manufacturing and marketing worldwide
 - c. involves functional areas that are responsible for the worldwide operations of their own functional areas
 - d. involves product divisions that are responsible for all manufacturing and marketing worldwide

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4. Which of the following is **true** of code law?
 - a. It is based on tradition.
 - b. It is based on a comprehensive set of written statutes.
 - c. It originated in England.
 - d. It is used in the United States.

 5. The two major legal systems in the world are:
 - a. common law and theocracy
 - b. theocracy and Roman law
 - c. theocracy and code law
 - d. common law and code law

 6. Domestication often leads to:
 - a. widespread decreases in the perceived quality of the product
 - b. increased sales to foreign importers due to the stability and reputation of the government run companies
 - c. increased costs of production because the foreign government often guarantees labor rates that are higher than in private industry
 - d. inefficiency due to protection from foreign and domestic competition

 7. Backward innovation refers to:
 - a. reinventing the wheel
 - b. reversing the technology trend
 - c. introducing a drastically simplified version of a firm's product because of lack of purchasing power or usage conditions
 - d. trying to keep pace with competitors that are ahead in technology

 8. Most U.S.-based companies try to fill senior positions abroad with:
 - a. expatriates
 - b. home-country nationals
 - c. locals
 - d. third-country nationals

 9. When working for a global company, getting along with coworkers is high priority. Remember to:
 - a. share the credit and tell about the efforts of others
 - b. take praise whenever you can
 - c. let everyone know when you are awarded special privileges
 - d. when you are a winner, let everyone know

 10. Determining what the organization needs to do and how best to get it done requires:
 - a. processing
 - b. planning
 - c. organizing
 - d. controlling

 11. _____ exporting is used when a company takes complete responsibility for marketing products to other countries.
 - a. Indirect
 - b. Venture
 - c. Direct
 - d. Foreign

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12. A strong economy will generally be associated with a _____ currency.
- strong
 - normal
 - fluctuating
 - weak
13. Price-fixing is in violation of:
- price-lining laws
 - puffing laws
 - anti-trust laws
 - insider-trading laws
14. Businesses must gather information about _____ in order to determine if they can successfully market products in foreign countries.
- preindustrial economies
 - video conferencing
 - subsidies
 - consumer characteristics
15. The same marketing functions must be completed by businesses whether marketing nationally or internationally and include but aren't limited to:
- distribution, selling, financing, promotion
 - investments, manufacturing, culture, management
 - culture, financing, subsidies, investments
 - product/service management, selling, promotion, investment
16. The _____ is the indicator of a country's international trade that provides the broadest measure of its trade performance.
- balance of payments
 - balance of trade
 - trade surplus
 - trade deficit
17. A company in Denmark having to pay for imported goods with Mexican pesos is an example of:
- store of value
 - measure of value
 - bartering
 - medium of exchange
18. A drop in the value of the U. S. currency relative to another country's currency can:
- cause the value of our trading bloc's to decrease
 - lower the value of our nation's economy
 - encourage saving
 - boost the nation's economy
19. A language that is **not** considered a major language for international business purposes is:
- German
 - Spanish
 - French
 - Portuguese
20. Packaging laws, antidumping laws, and currency exchange controls are examples of:
- social risks
 - political risks
 - marketing risks
 - economic risks

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21. An example of on-the-job training would be:
- an internship program with an exporting company
 - an international company tour for students from different nations
 - a global economics seminar with employees from several companies
 - an international seminar delivered online
22. An electronics company is paid a fee by a foreign firm. The foreign firm gains the right to market its products in its home country under the electronics company's brand name. The electronics company and the foreign firm are involved in a(n) _____ relationship.
- illegal
 - international licensing
 - import/export
 - international franchising
23. Slogans and trademarks:
- stay the same for company recognition
 - may not have the same translation in different countries
 - have no specific international purpose
 - should always stay the same for ease in marketing products
24. Not all countries have the same code of ethics. Which one of the following would be legal but unethical for industrialized countries?
- trading works of art without documentation
 - donating food with expired dates to undeveloped nations
 - using the trademark from products from another country
 - pirating the formula for a product and passing it off as their own
25. Per capita GDP is a better measure of a nation's economic development than total GDP because it:
- gives a better comparison between countries of different population sizes
 - shows how wealthy each person in the country is
 - shows how the unemployment rate affects the relationship between two countries
 - shows how the unemployment rate affects GDP
26. Wholesalers benefit the economy and other businesses by:
- selling products to manufacturers
 - being intermediaries between sellers and customers
 - shipping products to manufacturers
 - being intermediaries between producers and sellers
27. When the government imposes tariffs on one import such as steel, the steel industry benefits from higher prices while products manufactured from steel experience negative effects. Which one of the following is **not** a negative effect of tariffs on steel?
- layoffs
 - transfer of businesses to other countries
 - upgrades of steel plants
 - plant closings
28. The official currency of the Eurozone is the Euro. One Euro equals:
- 100 cents
 - 50 cents
 - 200 cents
 - 500 cents

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29. When a corporation decides to "go global," they must consider a mode of entry. Typical modes include all of the following **except**:
- joint ventures
 - strategic alliances
 - personal contact
 - indirect exporting
30. Preparing oneself for cultural differences is developing a skill called:
- ethnocentrism
 - degrees of mobility
 - cross-cultural literacy
 - cultural bias
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GLOBAL BUSINESS SAMPLE CASE STUDY

Procedures

- Review the event guidelines in the *CMH* since guidelines may change.
- Review the Competitive Events Tips in the front of the book.
- Teams will be sequestered.
- Teams have twenty (20) minutes to review the scenario.
- Members will have seven (7) minutes to interact with a panel of judges and present the solution to the case.

CASE STUDY SITUATION

Patrick has a major in French. He took Spanish and German classes in college as well, but he never took a business class. He landed a job in a high-growth company working in their International Division to take advantage of his language skills.

After working at the company for six years, he was asked by the company president to spend nine months in their Singapore subsidiary. Asia was an important part of their international growth strategy, but the subsidiary was going through some tough times of growth and change. In order to get the growth in the region, the office needed to do the following:

- Double the staff size
- Double the sales
- Change the office location to better accommodate an expanded staff
- Select and install a new Sales/CRM software
- Develop a marketing program once a marketing person was hired
- Keep the staff happy and morale high

The only other Westerner in the office was the managing director. However, two days before leaving, Patrick learned that the managing director would be let go one week after his arrival.

There are three key managers in the staff of 12 people (before expanding staff)—Finance, Sales, and Service.

You just met Patrick on a flight to Singapore where you also will be conducting business. Your team learned about Patrick's mission and learned that you are a group of management consultants. Intrigued by his story, his mission, and his situation, you ask if he would like some advice—free of charge. He gladly accepts the offer and would like to know what you believe he should focus on during his first 30 and 60 days on-site.