
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 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 fifteen teams scoring the highest on the objective test will advance to the final round and participate in the performance component.

This is a team event.

Competencies and Task Lists

<http://www.fbلا-pbl.org/docs/ct/FBLA/globalbusiness.pdf>

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
<http://www.executiveplanet.com/>

GLOBAL BUSINESS SAMPLE QUESTIONS

1. _____ includes all business activities needed to create, ship, and sell goods and services across national borders.
 - a. Regional business
 - b. International business
 - c. Trade intervention
 - d. Domestic business

Competency: Basic International Concepts

2. _____ are **not** a factor of production.
 - a. Human resources
 - b. Foreign resources
 - c. Natural resources
 - d. Capital resources

Competency: Basic International Concepts

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3. ____ is what an individual does **not** purchase in order to make another purchase.
- Economic option
 - Opportunity cost
 - Economic choice
 - Alternative purchase

Competency: Basic International Concepts

4. ____ is the belief that one's culture is better than other cultures.
- Expatriate
 - Superiority
 - Cultural baggage
 - Ethnocentrism

Competency: Basic International Concepts

5. Which is **not** a method for a business to get involved in international business?
- franchising
 - licensing
 - indirect importing
 - joint venture

Competency: Ownership and Management

6. A(n) ____ is an agreement between two or more companies from different countries to share a business project.
- franchise
 - independent contract
 - joint venture
 - licensed agreement

Competency: Ownership and Management

7. ____ are called intermediaries because they are links between products and sellers of products.
- Service companies
 - Manufacturing companies
 - Retailers
 - Wholesalers

Competency: Ownership and Management

8. ____ is the specific responsibility that both manufacturers and sellers have for the safety of their products.
- Common law
 - Moral obligation
 - Strict liability
 - Product liability

Competency: Legal Issues

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9. _____, also called code law, is a complete set of rules enacted as a single written system or code.
- Municipal law
 - Civil law
 - Statute
 - Common law

Competency: Legal Issues

10. The _____ allows a company to file a single patent application in which it names the countries in which it seeks patent coverage.
- International Copyright Agreement
 - World Trade Organization
 - World Intellectual Property Organization
 - Patent Cooperation Treaty

Competency: Legal Issues

11. The language that has the greatest number of speakers throughout the world is which one of the following?
- Hindi
 - Spanish
 - Chinese Mandarin
 - English

Competency: Communication (including culture and language)

12. Direct eye contact is important in the United States; however, looking away from the eyes of the speaker is considered respectful in which one of the following countries?
- Mexico
 - South Korea
 - England
 - France

Competency: Communication (including culture and language)

13. _____ is **not** part of the marketing mix.
- Entrepreneurship
 - Product
 - Distribution
 - Place

Competency: Marketing

14. _____ is **not** a service provided by retailers.
- Product selection
 - Storing and transportation of goods
 - Sales staff assistance
 - Consumer convenience

Competency: Marketing

15. ____ means that the cost of the goods, insurance, and freight are included in the price quoted.

- a. FOB
- b. C&F
- c. CIF
- d. Standard invoice

Competency: Marketing

16. ____ is a duty that a government places on imported products.

- a. Sanction
- b. Tariff
- c. Quota
- d. Restriction

Competency: Taxes and Government Regulation

17. ____ occurs when the government takes control and ownership of foreign-owned assets and companies.

- a. Civil unrest
- b. Economic nationalism
- c. Trade sanctions
- d. Expropriation

Competency: Taxes and Government Regulation

18. ____ is the dispute resolution method that makes use of a neutral third party to reconcile the viewpoints of the disputing parties.

- a. Arbitration
- b. Due process
- c. Mediation
- d. Litigation

Competency: Treaties and Trade Agreements

19. A ____ is imposed by the government to limit the number of imported goods that can enter the country and compete with domestic goods.

- a. quota
- b. boycott
- c. sanction
- d. tariff

Competency: Treaties and Trade Agreements

20. The ____ is the currency used in Japan.

- a. euro
- b. Yuan
- c. yen
- d. pound

Competency: Currency Exchange

21. Money is **not**:

- a. store of value
- b. measure of value
- c. a medium of exchange
- d. political stability

Competency: Currency Exchange

22. The ____ is a certificate that adds to or changes the coverage of an insurance policy.

- a. condition
- b. exclusion
- c. rider
- d. endorsement

Competency: Finance

23. Travelers visiting other countries may pay more when using a credit card instead of cash or traveler's checks because:

- a. the foreign exchange rate on credit cards is not calculated until the charges reach the credit card office
- b. credit cards have annual fees
- c. interest rates on credit cards are high
- d. credit cards always charge additional handling fees

Competency: Finance

24. Employers for multinational companies do **not** hire employees based on which one of the following?

- a. competence
- b. adaptability
- c. personal characteristics
- d. ethnocentrism

Competency: Human Resource Management

25. The __ uses managers from various countries within the geographic region of a business.

- a. geocentric approach
- b. regiocentric approach
- c. polycentric approach
- d. ethnocentric approach

Competency: Human Resource Management

26. ____ are principles of right and wrong guiding personal and business decisions.

- a. Laws
- b. Values
- c. Cultural norms
- d. Ethics

Competency: Ethics

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27. _____ protect the rights to intellectual property in the United States but may **not** be honored in other parts of the world.
- a. Trademarks
 - b. Patents
 - c. Copyrights
 - d. Trade secrets

Competency: Ethics

28. Flying into different time zones around the world can result in:
- a. jet lag
 - b. general confusion
 - c. energy boost
 - d. medical reaction

Competency: International Travel

29. Individuals taking jobs in other parts of the world should:
- a. make sure that all medical vaccinations are up to date
 - b. wait to receive medical vaccinations when they arrive to their final destination
 - c. count on their employers to pay for required medical procedures
 - d. not worry about medical plagues since their company is insulated from the rest of the public

Competency: International Travel

30. The résumé should **not** include:
- a. a personal picture
 - b. work experience
 - c. a career objective
 - d. education

Competency: Career Development