

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

Competencies

The topics listed below are prioritized, listing first the most important content areas of the tests.

Objective Test Competencies

- Communication including language and culture
- Ownership and management
- Legal issues
- Global business environment
- Treaties and trade agreements
- Taxes and government regulations
- Marketing
- Currency exchange
- Human resource management
- Finance

Performance Competencies

- Business planning
- Human resource management
- Operations
- Financial management
- Global marketing

Procedures/Tips

- 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 present their case, and the judges have three (3) minutes for a Q&A.

Web Site Resources

- <http://www.oanda.com/converter/classic>
- <http://www.convert-me.com/en/>
- <http://www.importexporthelp.com/a/business-terms.htm>

Global Business Sample Questions

1. A function of the Overseas Protection Investment Corporation is to cover financial losses that result from:
 - a. the seizure of assets by a host government
 - b. losses due to payment of delivered goods
 - c. goods that are lost or damaged during shipment on inland waterways
 - d. goods damaged by fire
2. The World Trade Organization
 - a. collects duties for member organizations.
 - b. is a major trading company.
 - c. succeeded the GATT agreements.
 - d. is a consulting group for facing global competition.
3. Which of the following is a form of nonverbal communication?
 - a. laughing out loud
 - b. speaking to a friend
 - c. waving to a teacher
 - d. yelling at the top of your lungs
4. Which of the following is **not** a stage of culture shock?
 - a. depression
 - b. frustration
 - c. anger
 - d. total rejection of the new culture after a lengthy stay there
5. When noise exists in the communication process, this is called
 - a. none of the answers are correct
 - b. anything that can interfere with communication process.
 - c. intended receiver of message.
 - d. communication from audience back to source.
6. Where does seniority tend to dominate evaluation and promotion?
 - a. ethnocentric culture
 - b. polycentric culture
 - c. cultures low on uncertainty avoidance and high on individualism
 - d. cultures high on uncertainty avoidance and low on individualism
7. Which term describes when a separate foreign company is owned by a parent company?
 - a. joint venture
 - b. partnership
 - c. cooperative
 - d. wholly owned subsidiary
8. The name of the economy in which the individual may own and run private businesses in order to make profit, with little governmental involvement with business, is
 - a. mixed economy.
 - b. market economy.
 - c. standard economy.
 - d. command economy.

-
9. What is one advantage of a corporation?
 - a. ease of creation
 - b. limited liability of owners
 - c. unlimited liability of owners
 - d. all answers are correct
 10. Copyright is defined as
 - a. protection of product or process.
 - b. protection of a symbol used by a business.
 - c. protection of an original work by an author, artist, or composer.
 - d. none of the answers are correct
 11. When cartoon characters are used on clothing items with permission of the movie company, it's an example of
 - a. contract by management.
 - b. direct importing.
 - c. direct exporting.
 - d. licensing.
 12. Which of the following is **not** a criterion for packing goods for international shipments?
 - a. minimizing shipping costs
 - b. minimizing theft
 - c. making sure the company makes a good impression to its customers
 - d. no answers are correct
 13. Which of the following is a benefit of international business?
 - a. all answers are correct
 - b. improved political relationships
 - c. expanded business opportunities
 - d. increased sources of raw materials
 14. Human resource management differs in the global and domestic environments because
 - a. all labor markets are the same in the world.
 - b. no obstacles exist to worker mobility.
 - c. both companies must cope with differences in global and national orientations and no obstacles exist to worker mobility.
 - d. companies must cope with differences in global and national orientations.
 15. One disadvantage to exporting is
 - a. ignorance of foreign market.
 - b. employee attitudes.
 - c. ignorance of domestic market.
 - d. company image.
 16. One purpose of the bill of lading is it
 - a. serves as a receipt.
 - b. all of the answers are correct
 - c. serves as a document of title.
 - d. serves as a contract.
 17. What can price discrimination do to a firm?
 - a. help a firm maximize its profits
 - b. help a firm minimize its profits
 - c. nothing
 - d. cause bankruptcy

-
18. An example of a political influence of a marketing environment would be a nation's
 - a. type of government.
 - b. school systems.
 - c. distribution of the population
 - d. economy
 19. The principal objective of global money management are to:
 - a. maximize firm's global tax liabilities
 - b. utilize the firm's cash resources in an inefficient manner
 - c. minimize firm's global tax liabilities
 - d. minimize the firm's global tax assets
 20. The International Court of Justice's legal principles are based on
 - a. principles of law from Northern Countries.
 - b. principles of law from all countries.
 - c. principles of law from western Countries.
 - d. principles of law from Eastern Countries.
 21. An example of a trade barrier is
 - a. boycotts.
 - b. all answers are correct
 - c. tariffs.
 - d. quotas.
 22. One disadvantage of a joint venture is
 - a. cultural differences and communication difficulties.
 - b. low level of commitment of staff and management.
 - c. potentially low capital cost plus ongoing financial support are required.
 - d. not time consuming especially when a new venture is involved.
 23. Which of the following participation strategies do small businesses emphasize?
 - a. exporting
 - b. licensing
 - c. importing
 - d. foreign direct investment
 24. An example of a political risk is
 - a. currency exchange.
 - b. political instability.
 - c. family relationships.
 - d. investments by owners.
 25. Currency future is defined as
 - a. the exchange present.
 - b. the exchange rate.
 - c. the exchange future.
 - d. a contract.
 26. A type of exposure to foreign exchange risk is
 - a. cultural exposure.
 - b. political exposure.
 - c. translation exposure.
 - d. risk exposure.

-
27. One purpose of a credit union is to
- a. provide loans for international business activities.
 - b. serve the financial needs of the union's members.
 - c. provide life insurance for international business activities.
 - d. provide funds for international business activities.
28. Which of the following promises to pay a set amount by a certain date?
- a. both a credit letter and a promissory note
 - b. promissory note
 - c. account receivable
 - d. credit letter
29. Which type of human resources approach uses natives in the host country to manage operations within their country, and parent-country natives to manage at headquarters?
- a. Geocentric approach
 - b. Polycentric approach
 - c. Regiocentric approach
 - d. Both a Polycentric approach and a Regiocentric approach
30. An advantage of staffing policy is
- a. it selects employees who have the right skills.
 - b. it is a tool for developing corporate culture.
 - c. it is a tool for promoting corporate culture.
 - d. all answers are correct

Global Business Sample Case Study

Performance Indicators

- Problem is understood and well-defined
- Alternatives are recognized with pros and cons stated and evaluated
- Logical solution is selected with positive and negative aspects of its implementation given
- Anticipated results are based on correct reasoning
- Thoughts and statements are well-organized and clearly stated; appropriate business language used
- Team members are forceful and show self-confidence, poise, and good voice projection
- All team members participate actively during the presentation
- Demonstration of ability to effectively answer questions

Background Information

- Patrick is a Spanish major and took no business classes in college
- He works for a high-growth company in their international division
- He has been working there for five years
- He was asked by the company president to spend 9 months in their southeast Asia office, since Asia is an important part of their international growth and their office needs to build that growth

Case Study Scenario

- Patrick is tasked with the following:
 - Double the staff size
 - Double sales
 - Change the office location to better accommodate expanded staff
 - Select and install a new Sales/CRM software
 - Develop a marketing program once a marketing person is hired
 - Keep the staff happy
- Your team met him on his flight to Southeast Asia. What suggestions do you have for him for his first month on-site?

Other Useful Information

- Patrick will be the only westerner in the office
- Two days prior to leaving, Patrick learned that the current Managing Director will be terminated one week after his arrival
- There are three key managers on staff – Finance, Sales, and Service
- In his estimation, Patrick needs to consider warehouse issues, processes, and building relationships with the staff

FBLA Principles & Procedure Answer Key

- | | | |
|-------|-------|-------|
| 1) A | 11) D | 21) D |
| 2) C | 12) D | 22) A |
| 3) D | 13) C | 23) B |
| 4) B | 14) A | 24) A |
| 5) C | 15) B | 25) B |
| 6) B | 16) D | 26) D |
| 7) B | 17) B | 27) D |
| 8) C | 18) C | 28) D |
| 9) B | 19) D | 29) D |
| 10) D | 20) B | 30) B |

Future Business Leader Answer Key

- | | | |
|-------|-------|-------|
| 1) A | 11) A | 21) D |
| 2) A | 12) B | 22) C |
| 3) B | 13) A | 23) B |
| 4) A | 14) C | 24) D |
| 5) A | 15) D | 25) B |
| 6) A | 16) D | 26) C |
| 7) B | 17) D | 27) B |
| 8) D | 18) B | 28) B |
| 9) C | 19) C | 29) B |
| 10) A | 20) D | 30) C |

Global Business Answer Key

- | | | |
|-------|-------|-------|
| 1) A | 11) D | 21) B |
| 2) C | 12) C | 22) A |
| 3) C | 13) A | 23) A |
| 4) D | 14) D | 24) A |
| 5) B | 15) A | 25) D |
| 6) D | 16) B | 26) C |
| 7) D | 17) A | 27) B |
| 8) B | 18) A | 28) B |
| 9) B | 19) C | 29) B |
| 10) C | 20) C | 30) D |

Help Desk Answer Key

- | | | |
|-------|-------|-------|
| 1) D | 11) D | 21) C |
| 2) A | 12) B | 22) C |
| 3) D | 13) C | 23) C |
| 4) C | 14) A | 24) C |
| 5) D | 15) A | 25) A |
| 6) A | 16) B | 26) A |
| 7) D | 17) B | 27) A |
| 8) C | 18) D | 28) B |
| 9) B | 19) A | 29) C |
| 10) A | 20) A | 30) C |

Introduction to Business Answer Key

- | | | |
|-------|-------|-------|
| 1) D | 11) B | 21) B |
| 2) B | 12) B | 22) D |
| 3) C | 13) D | 23) C |
| 4) C | 14) C | 24) B |
| 5) D | 15) D | 25) B |
| 6) A | 16) A | 26) B |
| 7) A | 17) B | 27) A |
| 8) D | 18) D | 28) D |
| 9) C | 19) A | 29) B |
| 10) B | 20) D | 30) D |