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## 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.fbla-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/>

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## 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.
- a. Economic option
  - b. Opportunity cost
  - c. Economic choice
  - d. Alternative purchase

**Competency:** Basic International Concepts

4. \_\_\_\_ is the belief that one's culture is better than other cultures.
- a. Expatriate
  - b. Superiority
  - c. Cultural baggage
  - d. Ethnocentrism

**Competency:** Basic International Concepts

5. Which is **not** a method for a business to get involved in international business?
- a. franchising
  - b. licensing
  - c. indirect importing
  - d. 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.
- a. franchise
  - b. independent contract
  - c. joint venture
  - d. licensed agreement

**Competency:** Ownership and Management

7. \_\_\_\_ are called intermediaries because they are links between products and sellers of products.
- a. Service companies
  - b. Manufacturing companies
  - c. Retailers
  - d. Wholesalers

**Competency:** Ownership and Management

8. \_\_\_\_ is the specific responsibility that both manufacturers and sellers have for the safety of their products.
- a. Common law
  - b. Moral obligation
  - c. Strict liability
  - d. 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.
- a. Municipal law
  - b. Civil law
  - c. Statute
  - d. 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.
- a. International Copyright Agreement
  - b. World Trade Organization
  - c. World Intellectual Property Organization
  - d. 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?
- a. Hindi
  - b. Spanish
  - c. Chinese Mandarin
  - d. 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?
- a. Mexico
  - b. South Korea
  - c. England
  - d. France

**Competency:** Communication (including culture and language)

13. \_\_\_\_ is **not** part of the marketing mix.
- a. Entrepreneurship
  - b. Product
  - c. Distribution
  - d. Place

**Competency:** Marketing

14. \_\_\_\_ is **not** a service provided by retailers.
- a. Product selection
  - b. Storing and transportation of goods
  - c. Sales staff assistance
  - d. Consumer convenience

**Competency:** Marketing

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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

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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

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## **GLOBAL BUSINESS SAMPLE CASE STUDY**

### **PARTICIPANT INSTRUCTIONS**

1. You have twenty minutes to review the case.
2. Presentation time is seven minutes. At six minutes the timekeeper will stand and hold up a colored card indicating you have one minute left and at seven minutes the timekeeper will stand and hold up a colored card indicating time is up.
3. The presentation is interactive with the judges who will ask questions throughout the presentations. You are the human resource director for College Trends (a major manufacturer of college apparel). You must describe strategies for hiring, training and development, establishing/maintaining positive cultural relations, and maintaining product quality. The judges are the owners of the company.
4. Each team member will be given two note cards.
5. Cover all the points described in the case and be prepared to answer questions posed by the judges.
6. All team members must participate in the presentation as well as answer the questions.

### **PERFORMANCE INDICATORS**

- Explain the importance of training and development for global employees
- Describe time-management principles to improve production for a global business
- Describe ways to motivate employees

### **CASE STUDY SITUATION**

You are the human resource director for a College Trends (a major manufacturer of college apparel). The manufacturing plant for College Trends is located in the United States where production and labor costs have been rising. College Trends has decided to locate a second manufacturing plant in China where labor and production costs are much lower. Since your company is entering a different culture, you are challenged to find the best employees for management and production. You must develop a plan for your company to gain a better understanding of the Chinese culture. The owner of College Trends (judge) wants to hear your plan for hiring and training employees in China. The owner's biggest concern is to maintain the quality and integrity of College Trends.

You must describe how you will recruit employees for the new location in China. Your explanation must include procedures for hiring, training and development, establishing/maintaining positive cultural relations, and maintaining product quality. The owner of College Trends understands the importance of communication for a successful business. They want to know how the communication process will work with production facilities in the United States and China, considering cultural differences. You will meet with the owner to explain a smooth transition plan for the company's new manufacturing plant in China.

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Possible Questions to Address:

- How will you select managers for the new manufacturing plant in China?
- What communication process will you incorporate to make sure to maintain product integrity?
- What employee incentives will result in high productivity?
- How will the international manufacturing process affect product deadlines?
- How will you involve the Chinese culture in management functions and training and development of employees?
- How will the two manufacturing plants located in different parts of the world communicate to maintain a consistent product and customer service?



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**FBLA Principles & Procedures Answer Key**

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

**Future Business Leader Answer Key**

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

**Global Business Answer Key**

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

**Health Care Administration Answer Key**

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