

Theme 4: Global Business

4.1 Globalisation

- 4.1.1 Growing economies
- 4.1.2 International trade and business growth
- 4.1.3 Factors contributing to increased globalisation
- 4.1.4 Protectionism
- 4.1.5 Trading blocs

List the indicators of growth:

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What do you know about:

Factors that contribute to increased globalisation

Think: Method, Ways, Pros, Cons....

What is meant by competitive advantage?

What is meant by comparative advantage?

Why have many Asian economies experienced high levels of growth?

What is the link between business specialisation and competitive advantage?

How does foreign direct investment (FDI) link to business growth?

What are the different forms of FDI?

Key Term	Definition
Economic growth	
BRICS	
Foreign Direct Investment	
Emerging Economies	
GDP	
Exports	
Imports	
Emerging Economies	
Purchasing Power Parity (PPP)	

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- increased globalisation
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 - 4.1.5 Trading blocs

What is meant by a free trade agreement?

Outline the three main trading blocs:

The European Union and the Single Market	
ASEAN Free Trade Agreement	
NAFTA	

Explain this:

- Trade barriers can cause retaliation.
- Tariffs would be ineffective if demand for imports is inelastic

What do you know about:

Protectionism

Think: Method, Ways, Pros, Cons....

Key Term	Definition
Globalisation	
Subsidy	
Infant industries	
Trading Bloc	

List the business opportunities and drawbacks as a result of trading blocs:

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✓

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Briefly describe the different forms of trading blocs:

Preferential trading areas	Free trade areas	Customs unions	Common markets	Single market	Economic Union

Theme 4: Global Business

4.2 Global markets & business expansion

- 4.2.1 Conditions that prompt trade
 - 4.2.2 Assessment of a country as a market
 - 4.2.3 Assessment of a country as a production
- location

 - 4.2.4 Reasons for global mergers or joint ventures
 - 4.2.5 Global competitiveness

Off-shoring Vs Outsourcing:

	Define	Pros	Cons
Off-shoring			
Outsourcing			

What do you know about:

Assessment of a country as a market

Think: Method, Ways, Pros, Cons....

What are the push factors that prompt trade?

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What are the pull factors that prompt trade?

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Explain the link between international trade and extending the product life cycle:

Why is a countries infrastructure important when considering an investment?

Key Term	Definition
Push factors	
Pull factors	
Economies of scale	
Infrastructure	
Disposable income	
Exchange rate	
Reshoring	
Trade bloc	
Joint Venture	

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- 4.2.3 Assessment of a country as a production location
- location
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- 4.2.5 Global competitiveness

What do you know about:

Assessment of a country as a production location

Think: Method, Ways, Pros, Cons....

Why are labour costs in China starting to rise?

What sort of incentives might a government offer to encourage a business to locate a site in its country?

What impact do skills shortages have on international competitiveness?

How can appreciation of currency impact global competitiveness?

Complete the SPICED acronym to show the effect on a stronger GBP (£)

S	
P	
I	
C	
E	
D	

List the reasons why businesses join together internationally:

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How can businesses reduce the risks of fluctuating exchange rates?

Briefly describe the different ways businesses join together:

Licensing	Franchising	Joint ventures	Cross-border mergers	Cross-border acquisitions

Theme 4: Global Business

4.3 Global marketing

- 4.3.1 Marketing
- 4.3.2 Niche markets
- 4.3.3 Cultural/social factors

Outline the different marketing approaches :

Ethnocentric approach	
Polycentric approach	
Geocentric approach	

1. Label Ansoff's matrix:
2. How does this model relate to global marketing?

New Market	Existing		
	Product		
	Existing	Product	New

What are the features of a global niche market?

How can the marketing mix be adapted to suit global niches?

Key Term	Definition
Glocalisation	
Localisation	
Global niche market	

What are the cultural/social factors that businesses need to consider in global marketing?

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Outline the difference between high and low context cultures (use examples):

High-Context Cultures	Low Context Cultures

Theme 4: Global Business

4.4 Global industries and companies (MNCs)

- 4.4.1 The impact of MNCs
- 4.4.2 Ethics
- 4.4.3 Controlling MNCs

How do MNCs impact positively on the local economy?

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How do MNCs impact positively on the national economy?

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Explain what is meant with regards to stakeholder conflicts and how they can arise in an international firm (think about ethics)

How might local businesses be adversely affected by the arrival of an MNC?

Outline the ways MNCs can be controlled:

	Political Influence
Social Media	Legal Control
Taxation Policy	Pressure Groups

Key Term	Definition
MNCs	
Transfer pricing	
Ethics	
Tax avoidance	

Outline the common ethical issues associated with MNCs:	
Pay and working conditions	
Environmental considerations	
Supply chain considerations	
Marketing considerations	