**Own Learning questions**

**Theme 4 – Global business**

These questions are designed for you to complete in your Study Periods. The aim is for you to consolidate your learning and identify any knowledge gaps. The outcome is a complete set of revision notes.

You can use the following resources to help you:

* Getting Started Guide (this is on XXXXXXX)
* Tutor2U website (google the topic area and Tutor2u as the site is difficult to navigate around!)
* Tutor2u Youtube channel
* Your class notes
* The Edexcel A-Level Business text book
* Edexcel A-Level Business revision guide
* The CGP A-Level Business revision guide

When you have completed each section of Own Learning Questions, why don’t you print them out and file them in the appropriate section of your folder? We’ll be checking them!!!

An electronic copy of these questions is on XXXXXXXXX

**4.1 Globalisation**

1. How does the growth rate of the emerging economies compare with that of the UK?
2. What are the key characteristics of the BRIC and MINT economies?
3. Why is demand in the emerging economies likely to be income elastic, and what opportunities does this offer UK businesses?
4. What factors have lead to the outsourcing of production/customer service facilities to locations such as China and India?
5. What do GDP per capita and the HDI tell us about a given country?
6. What is the difference between imports and exports, and what are examples of invisible imports and exports?
7. What is “comparative advantage”, and how does this result in greater efficiency?
8. What is “trade liberalisation”, and what are the pros and cons of the trade liberalisation process?
9. What are the key factors that have led to the increased globalisation of markets, and what are the impacts on businesses as a result?

|  |  |  |
| --- | --- | --- |
| Factor | Description | Impacts on businesses |
| Political change |  |  |
| Reduced cost of communication and transport |  |  |
| Increased investment flows |  |  |
| Migration |  |  |
| Growth of the global labour force |  |  |
| Structural change |  |  |

1. What is the purpose of a protectionist approach to trade?
2. What is a “tariff”, and how does it work?
3. Why might a country levy tariffs, and what are the pros and cons of implementing them?
4. What is a “tariff”, and how does it work?
5. Why might a country levy tariffs, and what are the pros and cons of implementing them?
6. What is a “quota”, and how does it work?
7. Why might a country impose quotas, and what are the pros and cons of implementing them?
8. What are non-tariff barriers, and how do they restrict trade?
9. How does joining a trading bloc liberalise trade?
10. What are the pros and cons of joining a trading bloc such as the EU, ASEAN, NAFTA etc?

**4.2 Global markets and business expansion**

1. What are the “push” factors that force businesses to consider trading abroad?
2. What are the “pull” factors that force businesses to consider trading abroad?
3. What is the difference between “outsourcing” and “off-shoring”, and what are the pros and cons of each?

|  |  |  |  |
| --- | --- | --- | --- |
|  | Description | Pros | Cons |
| Out-sourcing |  |  |  |
| Off-shoring |  |  |  |

1. How can the product lifecycle be extended by selling in multiple markets?
2. What are the factors which will make some markets more attractive than others?

|  |  |
| --- | --- |
| Factor | Description |
| Level of disposable income |  |
| Growth of disposable income |  |
| Ease of doing business |  |
| Infrastructure |  |
| Political stability |  |
| Exchange rate |  |

1. What are the factors that make one country more/less attractive as a production location compared with other countries?

|  |  |
| --- | --- |
| Factor | Description |
| Costs of production |  |
| Skills and availability of labour force |  |
| Infrastructure |  |
| Location in trading bloc |  |
| Government incentives |  |
| Ease of doing business |  |
| Political stability |  |
| Natural resources |  |
| Likely return on investment |  |

1. Why do joint ventures/mergers occur, and how can they help firms to access overseas markets?
2. What is the impact of exchange rate movements on businesses that export goods/services?
3. What is the impact of exchange rate movements on businesses that import goods/services?
4. How can competitive advantage be achieved through cost leadership, and how can trading internationally help this?
5. How can differentiation help a business achieve competitive advantage internationally?
6. How can the lack of ability to acquire skilled workers lead to a decline in businesses which achieve competitive advantage through differentiation?

**4.3 Global marketing**

1. What is the difference between a global marketing strategy and a “glocalisation” strategy?
2. What are the different marketing approaches that businesses can use?

|  |  |  |
| --- | --- | --- |
| Approach | Description | Example |
| Domestic/ethnocentric |  |  |
| Mixed/geocentric |  |  |
| International/polycentric |  |  |

1. Why does the marketing mix need to be adapted for international markets?
2. What is a global market niche, and how can operating internationally lead to success for niche-market businesses?
3. What are the cultural and social factors that businesses need to consider when entering new markets?

|  |  |  |
| --- | --- | --- |
| Factor | Description | Example |
| Cultural differences |  |  |
| Different tastes |  |  |
| Language |  |  |
| Unintended meanings |  |  |
| Inappropriate/inaccurate translations |  |  |
| Inappropriate branding and promotion |  |  |

**4.4 Global industries and companies**

1. What makes a Multi-National Company (MNC)?
2. How can MNCs impact on the local economy?

|  |  |
| --- | --- |
| Impact | Description |
| Local wages, labour force, working conditions and job creation. |  |
| Local businesses |  |
| The local community |  |
| The environment |  |

1. How can MNCs impact on the national economy?

|  |  |
| --- | --- |
| Impact | Description |
| FDI flows |  |
| Balance of payments |  |
| Technology and skills transfer |  |
| Consumers |  |
| Business culture |  |
| Tax revenues and transfer pricing |  |

1. What are the conflicts that might be created between stakeholders resulting from the operations of MNCs?
2. Is it ethical for workers in LEDCs to be paid less and accept possibly unsafe working conditions compared with equivalent workers in the UK?
3. How are MNCs likely to impact on emissions and waste disposal in LEDCs?
4. Is it in an MNCs best interests to exploit labour and child labour? – what might the likely repercussions be as a result?
5. How can the activities of MNCs be controlled?

|  |  |  |  |
| --- | --- | --- | --- |
| Method | Description | Pros | Cons |
| Political influence |  |  |  |
| Legislation |  |  |  |
| Pressure groups |  |  |  |
| Social media |  |  |  |