

CHAPTER 4

Global Opportunities

A. Match each definition in the left column with the correct term from the right column. Write the letter of the term in the space provided.

- | | |
|---|---------------------------------|
| _____ 1. the United Nation's numerical system for classifying goods sold in the international market | a. global economy |
| _____ 2. money to spend after necessary expenses are paid | b. IBEX |
| _____ 3. the selling and shipping of products to another country | c. freight forwarder |
| _____ 4. the economies of countries are linked in the marketplac | d. SITC codes |
| _____ 5. taxes, quotas, and other restrictions on goods entering or leaving a country | e. Gross domestic product (GDP) |
| _____ 6. the total value of all goods produced during the year | f. disposable income |
| _____ 7. the electronic commerce systems that allows you to sell products and services online anywhere in the world | g. trade barriers |
| _____ 8. handles overseas shipments for a fee | h. exporting |

B. In the space at the left, write the letter of the choice that best completes the statement or answers the question.

- _____ 9. One reason that the United States imports a vast number of goods from other countries is because of
- | | |
|------------------------------------|-------------------------|
| a. shipping costs. | c. unlimited resources. |
| b. relations with other countries. | d. low labor costs. |
- _____ 10. To find export opportunities, many entrepreneurs use the services of a(n)
- | | |
|-------------------------------|--------------|
| a. shipping company. | c. attorney. |
| b. export management company. | d. broker. |
- _____ 11. Two of the main reasons for the global economy are the changes in
- | | |
|----------------------------|-----------------------------------|
| a. technology and costs. | c. trade barriers and technology. |
| b. importing and currency. | d. cultures and trade barriers. |
- _____ 12. Small business owners have the ability to meet and talk with foreign agents, distributors, or potential business partners through
- | | |
|----------------------|--------------------|
| a. technology. | c. joint ventures. |
| b. business brokers. | d. trade missions. |
- _____ 13. Many entrepreneurs who attempt to do business internationally
- | | |
|----------------------|------------------------------|
| a. are creative. | c. experience culture shock. |
| b. open a franchise. | d. use the Internet. |

- ____ 14. To be successful in the global market, you must be able to offer products or services
- a. at high prices.
 - b. at competitive prices.
 - c. that utilize technology.
 - d. for children.
- ____ 15. It is important to study each country before attempting to do business there because of
- a. cultural differences.
 - b. taxes.
 - c. the currency.
 - d. the economy.
- ____ 16. Taxes imposed by a government on imported or exported goods are called
- a. ventures.
 - b. importing.
 - c. trade barriers.
 - d. tariffs.

C. In the space provided, write the word (or words) from the list that will best complete each statement.

interpreter	importing	opportunity	agricultural
best prospect	joint venture	communicate	cultural differences

17. Developing countries provide a risky form of _____ for entrepreneurs.
18. To participate in a trade mission, you will need to have a product that is on the government's _____ list.
19. Technology has made it easier to _____ with people in other countries.
20. According to the U.S. Department of Commerce, the hottest products for exporting are electronic equipment, chemical products, paper products, apparel, industrial machinery, computers, and _____ products.
21. A _____ is a partnership created by two or more companies for a specific purpose over a set period of time.
22. Businesses that buy goods from other countries to sell in their own country are _____.
23. It is wise to hire a(n) _____ to translate the other person's language into English when conducting business in a foreign country.
24. The important thing for entrepreneurs to understand about Europe is that _____ among some countries are huge.

D. On a separate sheet of paper, write a 100-word paragraph that answers the following question.

25. Discuss at least four ways to show respect to people of different cultures when conducting business in another country.

Score (number correct x 4 points) = _____