CURRICULUM AND STRATEGIES FOR PRINCIPLES of BUSINESS, MARKETIING & FINANCE

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| **Unit Number**  **Unit One** | **Lesson Name**  **Business in a Global Society** | **Lesson Day Number:** |
| **Overview & Purpose :**  • Upon completion of this lesson, the student will distinguish between domestic business and international business. | | **Education Standards (TEKS)**  • 130.112(c)(1)(A)  explain the role of business in a global society  • 130.112(c)(1)(B)  differentiate between goods and services  • 130.112(c)(1)(C)  identify types of businesses |
| **Student Guide** | | |
| Specific Objectives: • Students will discuss the reasons why international business is important.  • Students explain the components of the international business environment.  • Students will describe the basic international business activities.  • Students will describe the importance of international business for workers, consumers, and citizens. | | **Materials Needed:** |
| Introduction: 1. Ask students to develop a list of domestic and imported automobiles. Then ask students to list the pros and cons of owning each brand of automobile. Finally students will make suggestions to domestic automobile manufacturers to become more competitive with popular imported brands.  2. Divide the class into small groups of two or three students. Each group has 10 minutes to answer the following questions: Why does the U.S. import and export some goods and services? How do changes in the value of the Mexican peso or Japanese yen affect your life? Which policy is the best—free trade or protectionism?  3. Ask students to explain the impact of imports on the United states economy. | | **Other Resources** |
| **Vocabulary:**  • Imports – goods and service one country buys from another country  • Exports – goods and services one country sells to another country  • Balance of trade – the difference in value between how much a country imports and how much it exports  • Multinational corporation-a company that does business and has facilities in many countries around the world  • Exchange rate-the price at which the currency of one country can buy the currency of another country  • Balance of trade-the difference in value between how much a country imports and how much it exports  • Protectionism-limiting trade with other countries to protect business at home  • Tariff-a tax placed on imported products to make them more expensive than domestic products  • Quota-a limit placed on the quantities of a product that can be imported  • Embargo-a ban on the import or export of a product  • Free trade-few or no limits on trade between countries | | |

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| **Outline:**  I. International Business  A. All business activities needed to create, ship, and sell goods and services across national borders  B. Other Names for International Business  1. Global business  2. International trade  3. Foreign trade  C. Importance of International Business  1. Global opportunities  2. Consumers demand imports  3. Businesses need to export  4. Materials and parts needed for manufacturing  II. Domestic Business  A. Business Within the Country’s Own Borders  B. Making, Buying, and Selling Goods and Services Within the Country  III. Types of Businesses  A. Produce raw goods  B. Process raw goods  C. Manufacture goods from raw or processed goods  D. Distribute goods  E. Provide services  V. The Fundamentals of International Trade  A. Imports-goods and services one country buys from another country  B. Exports-goods and services one country sells to another country  C. Trade Barriers  1. Protectionism-limiting trade with other countries to protect business at home  2. Tariff-a tax placed on imported products to make them more expensive than domestic products  3. Quota-a limit placed on the quantities of a product that can be imported  4. Embargo-a ban on the import or export of a product  V. International Business Environment  A. Geography  1. Climate  2. Terrain, seaways  3. Natural resources  4. Agricultural products  B. Economic Conditions  1. Type of economic system  2. Level of education  3. Types of industries  4. Technology  C. Cultural and Social Factors  1. Language  2. Education  3. Religion  4. Values, customs  5. Social relationships  D. Political and Legal Factors  1. Type of government  2. Political stability  3. Government policies toward business  VI. The Global Marketplace  A. Multinational Corporation  1. Does business in many countries  2. Has facilities and offices in many countries around the world  3. Works like a shopping mall or a supermarket  B. Resources for a Country  1. Human  2. Natural  C. Specialization-influenced by the country’s resources  1. country with little money or advanced technology  2. country with a large population  3. specializes in manual labor | Ask students what activities are necessary to produce and sell an imported automobile in the United States.  Ask students to describe a part of the world where a global business opportunity exists. Describe the opportunity.  Ask the class to give one example of each type of business.  Ask students to give examples of situations where the types of trade barriers would be appropriate  Split the class into groups of three students. Give each group a different country. The group must report on A-D  for the country’s international business environment.  Ask students to explain why some American companies outsource their manufacturing processes. |
| **Looking Forward:**  Review:  Q: How do international business activities create jobs?  A: The international business activities increase the need to produce products and services around the world, resulting in greater employment opportunities.  Q: What is one example of global dependency in the U.S?  A: U.S. is globally dependent on energy sources from the Middle East.  Q: Why would a country consider using trade barriers?  A: Trade barriers are used to protect domestic production and domestic jobs.  Q: Why should a country be concerned about the falling value of its currency?  A: The falling value indicates economic weakness and bigger problems for the country’s future economy.  Q: What is the difference between a good and a service?  A: A good you can see and touch; it is a product to meet wants and needs. Services are activities that are consumed at the same time they are produced. |  |