

Why Nations Trade

1. What are the various markets in which the sale of goods and services takes place ?

They are local, regional, and national markets.

2. What is international trade ?

It is exchange of goods and services in the world market (global market).

3. What is the first benefit of international trade?

It is that international trade makes scarce goods available to nations that need or desire them.

4. What are the two economic principles that help explain how and when specialization is advantageous ?

They are the theory of absolute advantage and the theory of comparative advantage.

5. According to the theory of absolute advantage, what should a nation do ?

A nation should specialize in the goods that it can produce more cheaply than its competitors or in the goods that no other nation is able to produce.

6. According to the theory of comparative advantage, what should a nation do ?

A nation should concentrate on the products that it can produce most the efficiently and profitably.

1. Nations import goods they:

- a. Produce efficiently.
- b. Specialize in.
- c. Lack or cannot produce efficiently
- d. Do not need or desire

2. Specialization often results in:

- a. Increased out
- b. Decreased costs
- c. Higher standard of living
- d. All of the above

3. The united states is able to specialize in the computer industry because of its -----
recourses :

- a. Natural.
- b. Technical.
- c. Human.
- d. International.

٤. According to the theory of comparative advantage, a nation should concentrate on the product that;
- It can specialize in.
 - No other nation can produce
 - It can make efficiently.
 - It can produce most efficiently and profitably..
٥. The European Community is based on:
- Cooperation.
 - One company.
 - Competition.
 - Political differences.
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Global – domestic – suit – expertise – resource – output – enables – lack – efficiently – scarce

- Diamonds are found in only a few places in the world; they are rare. (scarce)
 - The production of the factory increased when ten new workers were hired. (output)
 - Nations that are without technological resource cannot produce their own computer systems. (lack)
 - International trade has affected worldwide conditions in numerous ways. (global)
 - Specialized knowledge is necessary to design fax machines. (expertise)
 - Many small businesses focus only on the home market. (domestic)
 - Oil is a valuable asset (resource)
 - International trade makes it possible for countries to import goods that they cannot produce. (enables)
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	Importing nation	Exporting nations
Advantage	1 / 3	4 / 5 / 6 / 12
Disadvantage	2 / 7 / 9 / 10	8 / 11

- A greater variety of goods is available.
 - Foreign competition endangers domestic industries.
 - A larger market is now available.
 - A nation becomes too dependent upon its foreign markets.
 - More jobs are created.
 - Gross National Product (GNP) is increased.
 - A nation becomes too dependent on foreign products.
 - For economic reasons, a country prefers to sell to foreign markets rather than deal with its domestic market.
 - Domestic workers lose employment.
 - A nation imports natural resources rather than depleting its own sources.
 - The international market gets flooded.
 - The national standard of living is raised.
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Multinational Corporations

1. What is the first step in the development of a multinational business?

It is establishing international trade relationships (exchanging goods or services with another country).

2. What is a multinational corporation?

It is a company that is primarily based in one country and has production and marketing activities in foreign countries.

3. Why does a multinational corporation need a basic understanding of foreign business environment ?

In order to operate successfully.

1. ... T ... *Multinational corporations have grown rapidly since 1945.*

2. ... F ... *Any company engaged in international trade is a multinational business. (the first step in development of multinational business)*

3. ... T... *In order to operate successfully, a multinational company needs to be aware of national and international business environments.*

4. ... F ... *A multinational corporation focuses on its "home country" or domestic market. (outside "home country")*

5. ... F ... *A multinational company does not established factories in foreign countries. (/)*

The Balance Sheet

Management Functions

1. *What do the duties of managers include ?*

They are include making sure company objectives are met and seeing that the business operates efficiently.

2. *What does planning involve ?*

It involves determining overall company objectives and deciding how these goals can best be achieved.

3. *Why is planning the first management function ?*

Because other management functions depend on it.

4. *Which skills do managers need to perform effectively?*

They need interpersonal, organizational, technical skills to perform effectively.

5. *What are the four basic management functions?*

They are planning, organizing, direction and controlling.

6. *What is the planning, organizing, directing, controlling?*

Planning: The determination of overall company objectives and how they can best be achieved.

Organizing: The process of putting the plan into action.

Direction: The day-to-day direction and supervision of workers.

Controlling: The evaluation of how well company objectives are being met.

Management And Human Resources Development

1. Why is it important to have employees who are motivated?

Because is an essential component of good management.

2. What is the meaning of motivation in the workplace?

It is the stimulus that directs the behavior of workers toward the company goals.

3. How do many managers believe workers are motivated?

By satisfying their fundamental needs for material survival.

4. What happens when fundamental needs are not satisfied?

That's will result in poor morale and dissatisfaction.

5. For which workers is satisfaction of fundamental needs not a primary motivation?

For workers in highly industrialized societies at the professional or technical levels.

6. What is job enrichment?

Job enrichment gives workers more authority in making decisions related to planning and doing their work.

7. What is job enlargement ?

Job enlargement increases the number of tasks workers perform by allowing them to rotate positions or by giving them responsibility for doing several jobs.

--- T --- *There is a close relationship between worker performance and motivation.*

--- F --- *In highly industrialized societies satisfaction of fundamental needs results in motivated employees who work more effectively. (+ personal needs)*

--- F --- *The desire for more interesting work is a fundamental need . (personal needs)*

--- T --- *A manager using the job enlargement approach might consider rotating employees.*

--- T --- *Managers attempt to improve the quality of work life through satisfaction of fundamental and personal employee needs.*

Statement	Job enrichment	Job enlargement
Workers check quality of work produced.	*	
Workers rotate positions.		*
Workers are given more authority.	*	
Workers schedule work flow.	*	
Workers are responsible for assembling an entire fuel system of a car.		*
Workers help plan their work.	*	
Workers perform a greater number of tasks.		*
Workers make sure deadlines are met.	*	