

Objectives:

- Describe the role of small business and entrepreneurship in today's multicultural, global economy
- Explain why the global market is important
- Discuss how to recognize and examine current trends that provide both domestic and global opportunities for entrepreneurs



Definitions of key terms:

Global economy – interconnected economies of the nations of the world

Exporting – selling and shipping goods to another country

Importing – buying or bringing in goods from other countries to sell

Trade barrier – restriction on goods entering or leaving a country

Tariff – trade barriers in the form of taxes imposed by a government on imported or exported goods

Gross Domestic Product – GDP the total value of all goods produced during the year

Short Answer:

1. Name 7 regions that provide global business opportunities for entrepreneurs.

Asia, Latin America, Europe, Russia, Eastern European countries, Africa and the Middle East

2. Identify 4 reasons that operating an international business is different than operating a domestic business.

1. Countries differ in their cultures, political systems, economic systems, legal systems, and levels of economic development.

2. Management of an international business is more complicated than the management of a domestic business.

3. Conducting business transactions across borders requires an in-depth understanding of the rules of international trade and the restrictions of foreign governments.

4. An international business must have policies for dealing with movements in exchange rates.