**The Global Economy**

**Student Notes**

Fill in the blanks as we discuss the multimedia presentation. Keep this as a study guide.

**TERMINOLOGY:**

* \_\_\_\_\_\_\_\_: North American Free Trade Agreement
* \_\_\_\_\_\_: World Trade Organization
* \_\_\_\_\_: European Union
* International Trade: The \_\_\_\_\_ of products/services to people in \_\_\_\_\_\_\_ countries
* Imports: Products/services \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ from another \_\_\_\_\_\_\_\_\_\_\_\_\_
* Exports: Products/services \_\_\_\_\_\_\_ to \_\_\_\_\_\_\_\_\_\_\_\_\_ country
* Indirect Exporting: Marketers with \_\_\_\_\_\_\_\_\_\_\_\_\_\_ experience \_\_\_\_\_\_\_\_\_\_ the

\_\_\_\_\_\_\_\_\_\_\_\_ company; \_\_\_\_\_\_\_\_\_\_\_\_ for the \_\_\_\_\_\_\_\_\_ of products in other countries

* Direct Exporting: Company handles \_\_\_\_ responsibilities to market products in other

\_\_\_\_\_\_\_\_\_\_\_

* Balance of Trade: The \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ between a country’s \_\_\_\_\_\_\_\_\_ and

\_\_\_\_\_\_\_\_\_\_

* Foreign Production: A company \_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_ production \_\_\_\_\_\_\_\_\_\_\_ in another country
* Joint Venture: \_\_\_\_ or\_\_\_\_\_ companies in \_\_\_\_\_\_\_\_\_\_\_\_ countries with

\_\_\_\_\_\_\_\_\_\_\_\_\_ interests develop a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ to join in \_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_activities.

* Multinational Companies: Businesses that have\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ all over the

\_\_\_\_\_\_\_\_\_\_\_ and conduct planning for \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ markets

* Pre-industrial Economy: Based on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_development; \_\_\_\_\_ standard of living

* Post-industrial Economy: Based on\_\_\_\_ of business and consumer

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ produced and marketed in the\_\_\_\_\_\_\_\_\_\_ marketplace

* Gross Domestic Product: The \_\_\_\_\_\_\_\_ $ value of all \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

produced within a country in\_\_\_\_ year

* Gross National Product: The total\_\_\_\_\_\_\_\_\_\_\_ of all goods/services (\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_) produced within a country in one year

* Quota: \_\_\_\_\_\_\_\_\_ on the numbers of \_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_ of products

\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ can \_\_\_\_\_\_ in a country

* Tariffs: \_\_\_\_\_\_\_\_\_ placed on imported products to increase the \_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_

* Subsidy: \_\_\_\_\_\_\_\_\_\_\_ provided to a business to \_\_\_\_\_\_\_ in the development and sale of products
* Standard of Living: A \_\_\_\_\_\_\_\_\_\_\_\_\_\_ of the quality of life for the citizens of a country
* Software as a Service (SaaS): Distribution model where users utilize ­\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ made available over a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ such as the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, instead of the traditional method of installing the software on their \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ machine. Users typically pay a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ fee for using the software for a period of time
* Productivity: The\_\_\_\_\_\_\_\_\_\_\_\_ output by workers for a \_\_\_\_\_\_\_\_\_\_\_\_\_\_ period of time
* Purchasing Power: The \_\_\_\_\_\_\_\_\_\_\_ of goods/services that can be bought with a

\_\_\_\_\_\_\_\_\_\_\_\_\_\_ $ amount of money

* Consumer Price Index: The \_\_\_\_\_\_\_\_\_\_\_\_\_ in the \_\_\_\_\_\_\_\_ of a specified set of goods over \_\_\_\_\_\_\_
* \_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_: Consists of 4 stages: Prosperity, Recession, Depression and Inflation



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| --- | --- | --- | --- |
| • |  |  | : Describes the process for planning, |
| creating, testing, and deploying software systems. |

**U.S. and International Trade**

**World Interdependence**

•”Approximately \_\_\_\_\_ of world-wide production is sold \_\_\_\_\_\_\_\_\_ of the

\_\_\_\_\_\_\_ country.”

•U.S. \_\_\_\_\_\_\_\_\_\_music, movies, software, and IT services among many other things.

**International Trade is Changing**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| • |  |  |  |  | once were an abundant commodity; today |
|  | makes up less than |  | of world’s exports. |
|  •  |  |  |  | goods/services are most popular. |

•\_\_\_\_\_\_\_\_\_\_\_\_\_ (communications, travel, education, and financial) are the most popular exchanges between \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

•\_\_\_\_\_\_\_ is transferred via phone, fiber optics, or satellite on a daily basis.

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| οNew software services such as |  |  |  |  | and |  |
| are creating new |  | business models. |
| °SaaS is |  |  |  |  | changing the face of international software |

marketing due to this fact.

**Businesses are Going Global**

•\_\_\_\_\_\_\_\_\_\_\_\_\_ are changing.

•\_\_\_\_\_\_\_\_\_\_\_\_ markets are enticing to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ businesses who experience dropping sales and profit.

•Foreign markets are another way to expand \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_and increase

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| worldwide \_\_\_\_\_\_\_\_\_\_\_for products and |  |  |  | . |  |
| ο |  |  |  | is replacing standard |  |  |  | due to |
|  | availability of |  |  |  | devices and low-cost apps. |
| ο | World leader in software |  |  | is located in US and obtains |
|  |  | of its revenue from SaaS. |  |  |  |  |

•Benefits of international marketing

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| o | Government support is |  | . |  |  |  |  |  |
|  | °Companies are |  | to developing software in the US due to |
|  | strong enforcement of |  |  |  |  |  |  |  |
| o | Software and IT Services Industry |  |  | annual |  |  |  | by an |

average of 6% in 2011 with a projected growth of almost 17% over the next two \_\_\_\_\_\_\_\_\_\_\_\_\_ accounts for more than \_\_\_\_\_\_\_\_\_\_\_ of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Importance of International Trade**

* U.S. economy: over \_\_\_\_\_\_\_\_\_\_\_ businesses \_\_\_\_\_\_\_\_\_ products.
* Accounts for over \_\_\_\_\_ of GNP.
* \_\_\_\_\_ of U.S. exporting businesses are small to medium sized.
* As of 2011\_\_\_\_\_\_\_\_\_\_\_\_\_of the top 100\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_vendors are based in the
* Manufactured \_\_\_\_\_\_\_\_ over $500 billion of products.
* Wholesalers export over $\_\_\_\_ billion worth of products.
* U.S. is \_\_\_\_\_\_\_\_\_\_ largest exporter.
* U.S. is home to\_\_\_\_\_\_\_\_\_\_\_\_of the world’s largest\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_companies.
* \_\_\_\_\_\_\_\_\_\_\_\_\_ is #1 exporter.
* U.S. is #1 \_\_\_\_\_\_\_\_\_\_\_ of products.

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* Germany is \_\_\_\_\_ importer.
* \_\_\_\_\_ had 1st\_\_\_\_\_\_\_\_\_ deficit of the 20th Century in \_\_\_\_\_\_ (imports exceeded exports

by over $1 billion that year).