International Business



The global economy is a complex; continually flowing and constantly changing network of information, goods, services, and culture. International Business offers members a chance to dive into these concepts. This competitive event consists of an objective test and a role play scenario.

Event Overview

Division: High School Event Type: Team of 1, 2 or 3 members Event Category: Role Play Event Event Elements: Objective Test and Role Play *Objective Test Time: 50 minutes Role Play Time: 20-minute preparation time, 7-minute presentation time* <u>NACE Connections</u>: Career & Self-Development, Communication, Leadership, Professionalism, Teamwork

Equipment Provided by Competitors: Pencil for objective test **Equipment Provided by FBLA:** One piece of scratch paper per competitor for objective test; Two notecards and pencils for each competitor and secret problem/scenario for role play

Test & Role Play Competencies

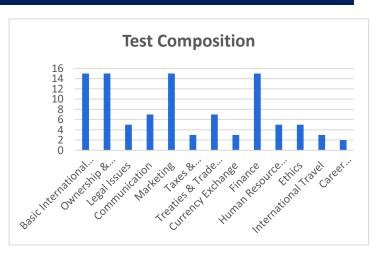
- Basic International Concepts
- Ownership and Management
- Legal Issues
- Communication
- Marketing
- Taxes & Government Regulations
- Treaties & Trade Agreements
- Currency Exchange
- Finance
- Human Resource Management
- Ethics
- International Travel
- Career Development

District

Testing will take place prior to the District Leadership Conference. Check the Call to Conference for your District for specific instructions and deadlines.

State

Any events with a test will have an online testing component on-site at the State Leadership Conference. Students will need to have access to a personal device (preferably a laptop) to be connected to the Internet for online testing. Role play presentations will happen in a large ballroom, and all competitors will present in the preliminary round.







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National

Policy and Procedures Manual

• Competitors should be familiar with the Competitive Events Policy & Procedures Manual, found on the Competitive Events page on <u>www.fbla.org</u>.

Eligibility

- FBLA membership dues are paid by 11:59 pm Eastern Time on March 1 of the current program year.
- Members may compete in an event at the National Leadership Conference (NLC) more than once if they have not previously placed in the top 10 of that event at the NLC. If a member places in the top 10 of an event at the NLC, they are no longer eligible to compete in that event.
- Members must be registered for the NLC and pay the national conference registration fee in order to participate in competitive events.
- Members must stay in an official FBLA hotel to be eligible to compete.
- Each state may submit four entries per event.
- Each member can only compete in one individual/team event and one chapter event (American Enterprise Project, Community Service Project, Local Chapter Annual Business Report, Partnership with Business Project).
- Each competitor must compete in all parts of an event for award eligibility.
- All members of a team must consist of individuals from the same chapter.
- Competitors cannot be replaced or substituted in between the objective test and role play time.
- Picture identification (physical or digital driver's license, passport, state-issued identification, or school-issued identification) is required when checking in for competitive events.
- If competitors are late for an objective test or presentation time, they will be allowed to compete until such time that results are finalized, or the accommodation would impact the fairness and integrity of the event. Competitive event schedules cannot be changed. Competitive events start in the morning before the Opening Session of the NLC.

Recognition

• The number of competitors will determine the number of winners. The maximum number of winners for each competitive event is 10.

Event Administration

- This event is two rounds: objective test and role play
- Objective Test
 - **Objective Test Time:** 50 minutes
 - **Objective Test Questions:** 100 questions
 - This event is an objective test administered online at the NLC.
 - No reference or study materials may be brought to the testing site.
 - All electronic devices such as cell phones and smart watches must be turned off before competition begins.
 - Competitors on a team must test individually, starting within minutes of each other. Individual test scores will be averaged for a team score.

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- Interactive Role Play Presentation
 - **Preparation Time:** 20 minutes
 - **Presentation Time:** 7 minutes (one-minute warning)
 - Question & Answer: None
 - The top 15 scoring teams will advance to the role play final round.
 - The role play will be a problem or scenario in the global arena. The role play will be given to the competitors at the beginning of their assigned preparation time.
 - Two notecards will be provided to each competitor and may be used during event preparation and role play presentation. Information may be written on both sides of the notecards. Notecards will be collected following the role play.
 - No additional reference materials or props or visuals are allowed.
 - If participating as a team, all team members are expected to actively participate in the role play.
 - Role plays are interactive presentations; the judges may ask questions throughout the presentation.
 - Role play presentations are not open to conference attendees.

Scoring

- The team-averaged objective test score determines the top 15 teams advancing to role play round.
- The role play round scores only will be used to determine winners.
- Objective test scores will be used to break a tie.

Recording of Presentations

- No unauthorized audio or video recording devices will be allowed in any competitive event.
- Participants in the events should be aware FBLA reserves the right to record any presentation for use in study or training materials.

Americans with Disabilities Act (ADA)

• FBLA meets the criteria specified in the Americans with Disabilities Act for all competitors with accommodations submitted through the conference registration system by the registration deadline.

Penalty Points

- Competitors may be disqualified if they violate the Competitive Event Guidelines or the Honor Code.
- Five points are deducted if competitors do not follow the Dress Code or are late for their assigned testing or presentation/role play time.

Electronic Devices

• All electronic devices such as cell phones and smart watches must be turned off.

Study Guide: Test Competencies and Tasks



- A. Basic International Concepts
 - 1. Define international business and explain terms and concepts related to international business and marketing.
 - 2. Compare and contrast the types of economic systems.
 - 3. List characteristics that define the various levels of economic development of countries.
 - 4. Explain the impact international business has on consumers, business, and countries.
 - 5. Define terms such as inflation, gross domestic product (GDP), purchasing power parity (PPP), balance of trade, foreign debt, and cost of living.
 - 6. Discuss the role the U.S. has played in international trade throughout history.
 - 7. Describe the decision-making process, opportunity costs, and scarcity as they relate to international business situations.
 - 8. Identify major trading regions and nations within those regions.
 - 9. Discuss the effect of literacy level, technology, natural resource availability, and infrastructure on the level of a country's economic development.
 - 10. Identify the impact of geography on international business, including factors such as climate; time zones; distance; topography; and social, economic, and natural resources.
 - 11. Describe how concepts (e.g., ethnocentrism, culture, social institutions, stereotyping, and cultural bias) affect conducting international business.
 - 12. Compare and contrast international and domestic business and marketing activities.
 - 13. Identify how economic issues (e.g., inflation, foreign debt, GD, PPP, interest rates, and cost of living) affect international business activities.
 - 14. Explain the relationship between international events and business activities.
 - 15. Evaluate how the political environment and geographic location of a given country impact international business and how business operates.
 - 16. Identify international trade partners and describe the trading patterns of companies based on region, state, and country.
- B. Ownership and Management
 - 1. Identify types of ownership of selected businesses involved in international trade.
 - 2. Analyze the importance of entrepreneurs in an international market.
 - 3. Describe different organizational structures that a company might use in the international environment.
 - 4. Identify how the managing functions (e.g., planning, organizing, influencing, and controlling) affect international operations and productions.
 - 5. Identify distinctive social and cultural factors that affect business activities (e.g., time, workday, workweek, schedules, and holidays)
 - 6. Determine appropriate business strategies for operating in foreign market situations such as pure competition, monopoly, and oligopoly.
 - 7. Identify risks and rewards related to doing business in a foreign market.
 - 8. Describe the advantages and disadvantages of expansion into international business activities for a given business.
 - 9. Identify how various economic systems influence what is produced, how it is produced, and for whom it is produced.
 - 10. Explain how social, cultural, and political factors affect the new product development process.
 - 11. List factors that affect international business competition.



- 12. Describe various opportunities for conducting international business (e.g. licensing, exporting, franchising, and joint ventures).
- 13. Identify organizations, government agencies, and other resources that a small or mediumsized business might use to investigate international business opportunities.
- 14. Describe the role and purpose of the International Organization for Standardization.
- 15. Assess the impact of quality management standards, especially ISO 9000 and QS 9000, on the international business community.
- C. Legal Issues
 - 1. Recognize the legal issues related to managing a business in the global environment.
 - 2. Describe the difference between the legal systems of various countries and the U.S. (e.g., codes, statutes, and common law)
 - 3. Recognize legal differences in areas such as consumer protection, product guidelines, labor laws, contract formulation, liability, and taxation for various countries.
 - 4. Appraise the protection provided to businesses by the components of international law.
 - 5. Analyze the major legal aspects and ramifications of international relations with special emphasis on topics such as financial systems and reporting, licensing, judicial systems, and repatriation.
 - 6. Identify the levels of regulation applied intellectual properties (e.g., copyrights, trademarks, and patents) in different countries.
 - 7. Define methods for resolving legal differences (e.g. mediation, arbitration, and litigation) in different cultures.
- D. Communication (including culture and language)
 - 1. Describe information systems and communications for international business.
 - 2. Define terms such as culture, multiculturalism, stereotyping, and cultural bias and their effects on conducting business internationally.
 - 3. Compose effective business communications based on an understanding of the differences in tone, style, and format of other countries.
 - 4. Identify examples of nonverbal communications affecting international business relationships and negotiations.
 - 5. Discuss complications involved when speaking, writing, or interpreting a language incorrectly (introductions, American jargon,).
 - 6. Identify distinctive social and cultural factors that affect business activities/etiquette in a multicultural environment (e.g. gender, time, schedules, holidays, gifts, and attire).
 - 7. Compare the business protocol of various countries (e.g., involvement of subpopulations women and minorities; gift giving)
 - 8. Describe how the process of negotiating may be affected by cultural differences.
 - 9. Describe the role and use of electronic communication tools (e.g., video and computerconferencing, webcasts, podcasting, and blogging) in international business activities.
 - 10. Analyze the effect of security measures and practices related to electronic business communication.
- E. Marketing
 - 1. Define international marketing and apply technical words that pertain to international marketing.
 - 2. Describe what a company must consider when marketing a product/service in other countries.



- 3. Illustrate how social, cultural, technological, and geographic factors influence consumer buying behavior in different cultures.
- 4. Describe how language, culture, media availability, and regulations affect international advertising and marketing.
- 5. Describe how consumer behavior and foreign markets can affect the elements of the marketing mix.
- 6. List the importance of marketing research and describe data collection methods appropriate for various international marketing research situations.
- 7. Define the steps in the marketing research process—from defining a problem to communicating results.
- 8. Identify promotion strategies that can be used to promote products internationally.
- 9. Explain how product packaging is affected by culture and how it may need to be altered before the product is marketed in a new environment.
- 10. Explain quality standards as they relate to product development and packaging.
- 11. Describe how the product life cycle can be affected in an international business environment.
- 12. Compare the pricing strategy for a product sold both domestically and internationally.
- 13. Explain how currency exchange rates, economic conditions, and the international business environment affect prices charged in international markets.
- 14. Identify differences in the roles of agents, wholesalers, retailers, freight forwarders, export companies, trading companies, and customs' brokers.
- 15. Contrast direct and indirect distribution channels for international marketing.
- 16. Discuss the factors in determining the appropriate mode of transportation for international shipments (e.g., cost, time, size, and perishability).
- 17. Describe shipping terms (e.g., FOB and CIF) and explain the purpose of shipping documents used for transporting products to other countries.
- 18. Explain how political risks can disrupt selling and buying across borders.
- 19. Design a marketing strategy for selling a product or a service in an international market.
- F. Taxes and Government Regulations
 - 1. Differentiate between types of governments.
 - 2. Debate the various strategies governments use to control international trade.
 - 3. Describe the role of federal and state agencies and other agencies and organizations that provide export information and assistance.
 - 4. Discuss the impact of inflation and tax structures on international business decisions.
- G. Treaties and Trade Agreements
 - 1. Describe the economic effects of foreign trade.
 - 2. Identify activities and risks associated with importing and exporting.
 - 3. Discuss the benefits to countries for entering into trade agreements.
 - 4. Describe the basic structure of the U.S. Customs Service.
 - 5. Recognize the government's role and assistance in international trade.
 - 6. Explain how historical events have contributed to the formation of strategic trade alliances.
 - 7. Discuss why governments impose trade barriers (e.g., quotas, tariffs, licensing requirements, and exchange rate controls) and offer trade incentives.
 - 8. Describe several international trade agreements and organizations (e.g., WTO GATT, EU, NAFTA, and MERCOSUR).



- 9. Analyze the effects of a trade barrier on the company, product category, and economics involved in a specific transaction.
- 10. Analyze a country's balance of trade and the specific conditions that can improve its trading potential.
- 11. Identify information and sources of financial assistance for facilitating the import/export process.
- 12. Define procedures and documentation associated with foreign trade and the transportation of goods.
- 13. Discuss how companies comply with U.S. customs regulations related to their product or service.
- H. Currency Exchange
 - 1. Identify factors that affect the value of currency and calculate foreign exchange rates of various currencies.
 - 2. Explain how currency exchange rates affect international trade and business transactions.
 - 3. Distinguish between currencies (e.g., floating versus fixed and convertible versus nonconvertible).
 - 4. Explain how fluctuating currency and interest rates affect international trade.
- I. Finance
 - 1. Define terms related to international finance.
 - 2. List sources of capital for international, transnational, multinational, and global companies.
 - 3. Explain how a business finances trade with a business in another country.
 - 4. Analyze the global impact of the stock and bond markets.
 - 5. Identify countertrade, offset, and noncash transactions in world trade.
 - 6. Describe the international monetary system, including the International Monetary Fund and the World Bank.
 - 7. Identify essential components of payment documents used in payment for international trade activities.
 - 8. Critically examine equity and debt capital and their use in international businesses.
 - 9. Compare the international financial institutions and markets.
 - 10. Identify the risks associated with international business activities (e.g., commercial, political, and foreign exchange) and discuss strategies to minimize this risk.
 - 11. Describe the impact of direct foreign investment on local economics.
- J. Human Resource Management
 - 1. Describe the different living and working conditions found in various countries.
 - 2. Assess how social and cultural factors influence the human resource functions (e.g., recruitment selection; employee development; evaluation; compensation, promotion, benefit, and incentives; and separation, termination, and transition).
 - 3. Identify how motivational techniques for workers may differ when used in different cultures.
 - 4. Assess the impact of various occupational health and safety standards on conducting international business.
 - 5. Analyze methods used to resolve management-labor conflicts in different cultures/countries.
 - 6. Explain the advantages and disadvantages to a company of having access to a global labor pool.
- K. Ethics
 - 1. Define ethics and social responsibility.



- 2. Identify ethical character traits and values shared by various cultures (e.g., honesty, integrity, compassion, and justice.)
- 3. Explain how a country's culture, history, and politics can influence ethical decisions.
- 4. Identify current and emerging ethical issues in the global business environment.
- 5. Identify pressures that international firms may face when dealing with ethical business issues.
- 6. Discuss potential consequences of unethical business dealings in various international settings.
- 7. Analyze the effect of an international business organization's actions on a host country, the company's home country, owners, employees, consumers, and society.
- L. International Travel
 - 1. Describe the major types of agreements among countries that affect travel.
 - 2. Use technology and international travel resources to access information on international travel (e.g., travel restrictions and health requirements, transportation, travel documents, etc.).
 - 3. Identify the requirements for securing travel and employment documents.
 - 4. Identify and locate major U.S. representational offices and sources of assistance located abroad.
 - 5. Explain the role of U.S. Customs and the customs agencies of other countries.
 - 6. Assess risk involved in international business travel.
- M. Career Development
 - 1. Identify sources of international career information.
 - 2. Research and analyze career opportunities in international business.
 - 3. Describe the skills and qualifications needed for success in the international business career path.
 - 4. Compare the application, interview, and hiring practices of various cultures.

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International Business Role Play Presentation Rating Sheet

Expectation Item	Not Demonstrated	Below Expectations	Meets Expectations	Exceeds Expectations	Points Earned
Demonstrates understanding of the role play and defines problem(s) to be solved	No description or role play synopsis provided; no problems defined	Describes and provides role play synopsis OR defines the problem(s)	Describes and provides role play synopsis AND defines the problem(s)	Demonstrates expertise of role play synopsis AND definition of the problem(s)	
	0 points	1-8 points	9-12 points	13-15 points	
Identifies alternatives and the pro(s) and con(s) of each	No alternatives identified	Alternative(s) given but pro(s) and/or con(s) are not analyzed	At least two alternatives given, and pro(s) and con(s) are analyzed	Multiple alternatives given and multiple pros and cons analyzed for each	
	0 points	1-9 points	10-16 points	17-20 points	
Identifies logical solution and aspects of implementation	No solution identified	Solution provided, but implementation plan not developed	Logical solution and implementation plan provided and developed	Feasible solution and implementation plan developed, and necessary resources identified	
	0 points	1-9 points	10-16 points	17-20 points	
Demonstrates knowledge and understanding of the event competencies: Basic international concepts, ownership and management, marketing, finance, communication (including culture and language), ethics, taxes and government regulations, currency exchange, international travol caroor	No competencies demonstrated	One or two competencies are demonstrated	Three competencies are demonstrated	Four or more competencies are demonstrated	
international travel, career development	0 points	1-9 points	10-16 points	17-20 points	
Presentation Delivery					
Statements are well-organized and clearly stated	Competitor(s) did not appear prepared	Competitor(s) were prepared, but flow was not logical	Presentation flowed in logical sequence	Presentation flowed in a logical sequence; statements were well organized	
	0 points	1-6 points	7-8 points	9-10 points	
Demonstrates self-confidence, poise, assertiveness, and good voice projection	Competitor(s) did not demonstrate self- confidence	Competitor(s) demonstrated self- confidence and poise	Competitor(s) demonstrated self- confidence, poise, and good voice projection	Competitor(s) demonstrated self- confidence, poise, good voice projection, and assertiveness	
	0 points	1-2 points	3-4 points	5 points	
Demonstrates the ability to effectively answer questions	Unable to answer questions	Does not completely answer questions	Completely answers questions	Interacted with the judges in the process of completely answering questions	
	0 points	1-6 points	7-8 points	9-10 points	
	Staff Only: P	enalty Points (5 points for d	ress code penalty and/or 5 po	pints for late arrival penalty)	
			Pres	sentation Total (100 points)	
Name(s):					
School:					
1					-

Judge Signature: Comments:



Date:

