

## **International Business (Collegiate)**

International Business challenges members to explore the complexities of the global economy through an objective test. This event covers topics such as international trade, cultural differences, global marketing, economic systems, and the challenges and opportunities businesses face in a globalized world.

## **Event Overview**

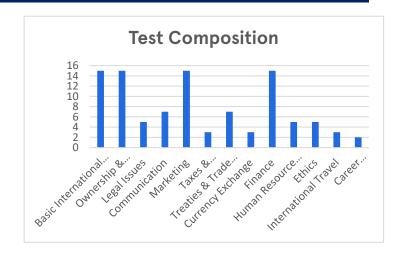
Division	Collegiate
Event Type	Individual
<b>Event Category</b>	Objective Test
Event Elements	50-minute test, 100-multiple choice questions

## **Educational Alignments**

Career Cluster Framework Connection	Management & Entrepreneurship
NACE Competency Alignment	Career & Self-Development, Communication,
	Critical Thinking, Leadership, Professionalism,
	Technology

## **Knowledge Areas**

- 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



Test questions are based on the knowledge areas and objectives outlined for this event. Detailed objectives can be found in the study guide included in these guidelines.

#### State

Testing will take place prior to the State Leadership Conference. Testing must occur at school under the supervision of an adult proctor. Check the Call to Conference for specific instructions and deadlines.





### **National**

## **Required Competition Items**

## **Items Competitor Must Provide**

- Sharpened pencil
- Fully powered device for online testing
- Conference-provided nametag
- Photo identification
- Attire that meets the FBLA Dress Code

## **Items FBLA Provides On-site**

- One piece of scratch paper per competitor
- Internet access
- Test login information (link & password provided at test check-in)

## Important FBLA Documents

• Competitors should be familiar with the Competitive Events <u>Policy & Procedures Manual</u>, <u>Honor Code</u>, <u>Code of Conduct</u>, and <u>Dress Code</u>.

### **Eligibility Requirements**

To participate in FBLA competitive events at the National Leadership Conference (NLC), the following criteria must be met:

- **Membership Deadline**: FBLA national membership dues must be paid to the specific division by 11:59 p.m. Eastern Time on March 1 of the current school year.
- **Conference Registration**: Members must be officially registered for the NLC and must pay the national conference registration fee to participate.
- **Official Hotel Requirement**: To be eligible to compete, competitors must stay within the official FBLA housing block.
- State Entry Limits: Each state may submit up to four entries per event.
- Event Participation Limits: Each member may participate in:
  - o One individual or team event, and
  - o One chapter event (e.g., Community Service Project or State of Chapter Presentation).
- **Competitor Responsibility**: Only registered competitors are permitted to plan, research, prepare, and set up their presentations. Advisers and others may not assist.
- **Participation Requirement**: To be eligible for an award, each competitor must complete all components of the event at the National Leadership Conference.
- Identification at Check-in: Competitors must present valid photo identification (physical or digital) that matches the name on their conference name badge. Acceptable forms include a driver's license, passport, state-issued ID, or school ID.
- Late Arrivals: Competitors will be allowed to compete until such time that the results are finalized, or participation would impact the fairness and integrity of the event, as determined by Competitive Events staff. Five penalty points will be assessed for late arrivals in any competitive event.
- Event Schedule Notes:
  - Some events may begin before the Opening Session.
  - o All schedules are posted in local time for the NLC host city.
  - Schedule changes are not permitted.

### **Event Administration**



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- Test Duration: 50 minutes
- **Format:** This event consists of an online objective test that is proctored and completed on-site at the National Leadership Conference (NLC).
- Materials: Reference or study materials are not permitted at the testing site.
- **Calculators:** Personal calculators are not allowed; an online calculator will be available within the testing platform.
- **Question Review:** Competitors may flag questions within the testing platform for review prior to the finalization of results at the NLC.

## Scoring

- Each correct answer is worth one point.
- No points are deducted for incorrect answers.
- Tiebreakers are determined as follows: (1) The number of correct responses to 10 pre-selected tiebreaker questions will be compared. (2) If a tie remains, the number of correct responses to 20 pre-selected questions will be reviewed. (3) If a tie still remains, the competitor who completed the test in the shortest amount of time will be ranked higher.
- Results announced at the National Leadership Conference are considered official and will not be changed after the conclusion of the National Leadership Conference.

## **Penalty Points**

- Competitors may be disqualified if they violate the Code of Conduct or the Honor Code.
- Five points are deducted if competitors do not follow the Dress Code or are late to the testing site.

#### Recognition

• A maximum of 10 entries (individuals or teams) may be recognized per event.

## Americans with Disabilities Act (ADA)

FBLA complies with the Americans with Disabilities Act (ADA) by providing reasonable
accommodations for competitors. Accommodation requests must be submitted through the
conference registration system by the official registration deadline. All requests will be
reviewed, and additional documentation may be required to determine eligibility and
appropriate support.

### **Electronic Devices**

• Unless approved as part of a documented accommodation, all cell phones, smartwatches, electronic devices, and headphones must be turned off and stored away before the competition begins. Visible devices during the event will be considered a violation of the FBLA Honor Code.

### Sample Preparation Resources

Official sample test items can be found in <u>FBLA Connect</u>. These sample items showcase the
types of questions that may be asked on the test and familiarize competitors with the multiplechoice item options.



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## Study Guide: Knowledge Areas and Objectives

## 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.



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- 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 medium-sized 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 computer-conferencing, webcasts, podcasting, and blogging) in international business activities.
- 10. Analyze the effect of security measures and practices related to electronic business communication.

### E. Marketing



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- 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.



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- 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

- 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.



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- 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

- 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.