**Global Economy** **Student Notes**

Fill in the blanks as we discuss these ideas. 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 company’s \_\_\_\_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_\_\_\_.
* Foreign Product: A company \_\_\_\_\_\_\_\_\_\_\_\_\_and \_\_\_\_\_\_\_\_\_\_\_\_\_ production \_\_\_\_\_\_\_\_\_\_\_\_\_ in another country.
* Join 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 the business and consumer \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ produced & 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.
* 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.

**U.S. and International Trade**

* “Approximately \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ of world-wide production is sold \_\_\_\_\_\_\_\_\_\_\_\_\_ of the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ country.”
* The bulk of products that Americans use daily are \_\_\_\_\_\_\_\_\_\_\_\_\_.
* U.S. \_\_\_\_\_\_\_\_\_\_\_\_\_ music, movies, cars, airplanes, and food items.

**International Trade is Changing:**

* Raw materials once were an \_\_\_\_\_\_\_\_\_\_\_\_\_ commodity; today makes up less than \_\_\_\_\_\_\_\_\_\_\_\_\_ of world’s exports.
* \_\_\_\_\_\_\_\_\_\_\_\_\_ goods/services are most popular.
* \_\_\_\_\_\_\_\_\_\_\_\_\_ (communications, travel, education, and financial) are most popular exchanges between \_\_\_\_\_\_\_\_\_\_\_\_\_.
* \_\_\_\_\_\_\_\_\_\_\_\_\_ is transferred via phone, fiber optics, or satellite on a daily basis.

Businesses are Going Global

* \_\_\_\_\_\_\_\_\_\_\_\_\_ are changing.
* \_\_\_\_\_\_\_\_\_\_\_\_\_ markets are enticing to \_\_\_\_\_\_\_\_\_\_\_\_\_ business who experience dropping sales & profits.
* Foreign markets are another way to expand \_\_\_\_\_\_\_\_\_\_\_\_\_ and increase worldwide \_\_\_\_\_\_\_\_\_\_\_\_\_ for products.
* Benefit of international marketing: \_\_\_\_\_\_\_\_\_\_\_\_\_ support is available.

**Importance of International Trade**

* U.S. economy: over \_\_\_\_\_\_\_\_\_\_\_\_\_ businesses \_\_\_\_\_\_\_\_\_\_\_\_\_ products.
* Accounts over \_\_\_\_\_\_\_\_\_\_\_\_\_ of GNP.
* \_\_\_\_\_\_\_\_\_\_\_\_\_ of U.S. exporting businesses are small to medium sized.
* Manufactures \_\_\_\_\_\_\_\_\_\_\_\_\_ over $500 billion of products.
* Wholesales export over $\_\_\_\_\_\_\_\_\_\_\_\_\_ billion worth of products.
* U.S. is \_\_\_\_\_\_\_\_\_\_\_\_\_ largest exporter.
* \_\_\_\_\_\_\_\_\_\_\_\_\_\_ is #1 exporter.
* U.S. is #1 \_\_\_\_\_\_\_\_\_\_\_\_\_ of products.
* Germany is \_\_\_\_\_\_\_\_\_\_\_\_\_ importer.
* \_\_\_\_\_\_\_\_\_\_\_\_\_ had 1st \_\_\_\_\_\_\_\_\_\_\_\_\_ deficit of the 20th Century in \_\_\_\_\_\_\_\_\_\_\_\_\_ (imports exceeded exports by over $1 bullion that year).