

## CHAPTER

# 5

# Business in a Global Economy

## Part 1: Content Review

### Matching

Write the letter of the correct term for each definition on the line provided.

#### Terms

- |                       |                      |
|-----------------------|----------------------|
| A. globalization      | F. logistics         |
| B. exports            | G. licensing         |
| C. absolute advantage | H. franchise         |
| D. balance of trade   | I. quota             |
| E. tariff             | J. floating currency |

- \_\_\_\_\_ 1. Goods and services produced within a country's borders and sold in another country.
- \_\_\_\_\_ 2. When a country can produce goods more efficiently and at a lower cost than another country.
- \_\_\_\_\_ 3. Planning and managing the flow of goods, services, and people to a destination.
- \_\_\_\_\_ 4. A limit on the amount of a product imported into a country during a specific period of time.
- \_\_\_\_\_ 5. When a business sells the right to manufacture its products or use its trademark.
- \_\_\_\_\_ 6. A governmental tax on imported goods.
- \_\_\_\_\_ 7. The connection among nations when economies freely move goods, labor, and money across borders.
- \_\_\_\_\_ 8. The right to sell a company's goods or services in a specific area.
- \_\_\_\_\_ 9. The difference between a nation's exports and its imports.
- \_\_\_\_\_ 10. The exchange rate is set by the forces of supply and demand in the foreign exchange market.