

Revision Questions – Chapter 1

1. What is foreign direct investment?
2. What do we call a firm that is engaged in foreign direct investment?
3. What is international business?
4. Explain why businesses in Europe need to engage with both European integration and with the global economy outside Europe!
5. Explain the difference between GDP and GNP!
6. Why do some organizations report GDP data by 'Purchasing Power Parity' (PPP) rather than market exchange rates?
7. What are the attractions of an expatriate assignment?
8. How can international business become highly relevant for employees working in purely domestic firms?
9. What is the overarching question in the field of international business?
10. What is the main focus of the institution-based view of international business?
11. What is the main focus of the resource-based view of international business?
12. Explain the concept of liability of outsidership!
13. Name four simplifying views on globalizations!
14. How do we define globalization in this book?
15. Why was 19th century liberalization important for the acceleration of globalization?
16. Why did British Historian Geoff Jones describe the 19th and 20th century as two waves of globalization?
17. How was the global economy in 1900 different from the global economy in 2010? How about the global economy in 1950?
18. Why did globalization gather speed in the 1990s?
19. Why is understanding emerging economies important for European businesses?
20. Explain the concept of 'base of the pyramid'?
21. Does the financial crisis of 2008/09 mark the end of globalization?
22. Name the largest country by GDP, by population, and by stock of outward FDI!
23. Name some of the largest companies in the world!
24. Which country has experienced the largest increase in companies listed in the "Fortune 500"?
25. Why should business be concerned about the activities of non-governmental organizations?
26. Why do cosmopolitans tend to have different views about globalization than people who spend all their life in the same town?
27. Why do business persons have to be aware of their own possible pro-globalization biases?