

14.7: End-of-Chapter Questions and Exercises

These exercises are designed to ensure that the knowledge you gain from this book about international business meets the learning standards set out by the international Association to Advance Collegiate Schools of Business (AACSB International). Association to Advance Collegiate Schools of Business website, accessed January 26, 2010, <http://www.aacsb.edu>. AACSB is the premier accrediting agency of collegiate business schools and accounting programs worldwide. It expects that you will gain knowledge in the areas of communication, ethical reasoning, analytical skills, use of information technology, multiculturalism and diversity, and reflective thinking.

EXPERIENTIAL EXERCISES

(AACSB: Communication, Use of Information Technology, Analytical Skills)

1. Complete the survey of entrepreneurial characteristics. Ask your instructor to summarize the class scores and share the means and standard deviations for each scale item and the overall scale. Discuss what you think these results tell you about yourself and your differences and similarities with the rest of the class.
2. Like most popular soft drinks, Red Bull is largely sugar water. At the same time, Red Bull is a great example of an innovative, high-growth company that discovered a little-known, poor-selling product in Thailand and revitalized it, growing into a multibillion-dollar, highly profitable firm as a result. Visit the Red Bull website at <http://www.redbull.com>. Have you ever run across a product in one country that could be used in another country to grow a company like Red Bull? What are other examples of this type of opportunity?
3. You learned about global start-ups in this chapter, starting with the introductory case on eSys. This chapter identifies other examples of global start-ups as well. Conduct a web search using the search term “global start-ups.” What types of firms seem to most commonly fit this label? Which countries seem the most active in this domain?
4. Break up your class into two groups—one made up of students who want to start their own business and the second made up of students who want to work for an established firm. Have each group talk about why they have this preference, and summarize the top ten issues using bullet points. Next, compare the two lists and work to come up with an explanation for why it is difficult for established organizations to be both efficient and entrepreneurial. What recommendations would you have to an established business that wants to attract and hire the budding entrepreneurs in your class?

Ethical Dilemmas

(AACSB: Ethical Reasoning, Multiculturalism, Reflective Thinking, Analytical Skills)

1. Adam Smith, in his 1776 book *The Wealth of Nations*, essentially argued that free enterprise, regardless of whether it is in the United States, Russia, or anywhere else in the world, encourages entrepreneurship because it permits an individual's freedom to create and produce. Such a system makes it easier for entrepreneurs to acquire opportunity. Is this the same thing as saying that to be an entrepreneur is to be ethical? Why or why not?
2. You are thinking about starting a new business that makes and sells a product similar to Red Bull. However, on a recent trip to Scandinavia you learned that Red Bull has actually been banned in some countries; it is illegal in Denmark, France, and Norway. Why is this magical drink that “gives you wings” banned in several countries? What are the ethical issues surrounding making and selling products that are legal in some countries but illegal in others?
3. Many multinationals are being intrapreneurial in developing new products for the world's poor, particularly in developing and emerging markets. These companies are targeting customers who live on dollar-a-day food budgets. For instance, in Indonesia, the global food company Danone is targeting ten-cent drinkable yogurts at the poor, and in Mexico, it offers fifteen-cent cups of water. Unilever, likewise, sells Cubitos in developing markets. Cubitos are small cubes of flavoring that cost as little as two cents apiece. What ethical issues are these firms grappling with in growing into these markets where poverty is so dire?

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