

13.7: 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. Your company has a strong brand name in the United States, and you're ready to enter Europe. You decide to acquire a local company in Germany. Taking what you have learned in this chapter about branding, would you use the existing German brand in Germany? Would you use it in all of Europe? Or would you use your strong US brand globally? Would you use both brands in the same markets? Discuss the advantages and disadvantages of the various strategies, taking into account the trust factor of brands, the influence of local differences, and the country-of-origin effect.
2. Pick an item from a store, such as a shirt, and use the Internet to analyze where the shirt might have come from. Which countries could have supplied the raw material? Where might the article have been designed? Where might it have been manufactured? Would these two locations likely be near or far from each other? Why or why not? How would you make these sourcing and production decisions if you were running the company?
3. Your company manufactures hand tools for the do-it-yourself market in the United States, selling to retail stores like The Home Depot and smaller local hardware stores like McGuckin Hardware in Boulder, Colorado. Company executives have decided that the company needs to grow by expanding internationally. They come to you and your team for advice. How would you decide which country to expand into first? Would you recommend customizing the product for this market? Why or why not?

Ethical Dilemmas

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

1. You have selected a supplier in China who will manufacture one of the components that go into your consumer-electronics device. You learn that this supplier has switched to a manufacturing technique that is leaking potentially hazardous materials into the groundwater. What would you do? Would you tell them to go back to their original method? (Would you pay them more if they said the original method was more expensive to implement?) Would you withdraw your business and try to find another supplier, knowing this will cause delays and possible stock-outs of your products? Would you help the company clean up and solve the hazardous materials leak? Would you report the supplier to the government and let the government handle it (even if the government is prone to turning a blind eye on environmental issues)?
2. You are an organic products company that sells organic milk and dairy products to the United States and Europe. Until now, you've sourced your milk from local organic dairy farmers in the United States to sell to the US market and from farmers in Europe to sell to the European market. Now, you're seeing greater demand for organic milk supply as more and more competitors enter your industry. Prices for organic milk are rising. What do you do? Would you raise prices and thus pass the additional costs onto your customers? Would you source organic milk from Australia or New Zealand, where organic milk supplies are less expensive? Would you be concerned about the higher carbon footprint that you would be creating by shipping from Australia or New Zealand to the United States and Europe?

13.7: End-of-Chapter Questions and Exercises is shared under a [not declared](#) license and was authored, remixed, and/or curated by LibreTexts.

- [14.6: End-of-Chapter Questions and Exercises](#) has no license indicated. Original source: <https://courses.lumenlearning.com/waymakerintromarketingxmasterfall2016>.