

3.10: 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. Review the WTO and the regional trading agreements. Which do you think is more effective in promoting free trade, the global or regional cooperative agreements? Why?
2. Based on what you have learned in Chapter 3, the opening case study on the EU in this chapter, and [Section 5.2](#), do you think countries with distinctively different cultural, historical, and economic histories can effectively enter into a trade agreement? Select one regional trading bloc and discuss the economic motivations for that group of countries to form an agreement. Use Hofstede's cultural dimensions at www.geert-hofstede.com/geert_hofstede_resources.shtml. Do you think the countries in the trading bloc you selected are likely to have cross-cultural similarities or differences?

Ethical Dilemma

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

1. Based on what you learned in Chapter 3 and this chapter, do you feel that countries enforce trade rules fairly? What factors might affect how one government interprets violations of trade rules? Using a sports analogy, is the WTO a fair referee for trade issues? Is the UN a fair referee for trade and other issues? Why or why not? Research the voting rules for each organization to support for your answer.
2. Based on what you have learned about economic unions and the current issues facing the EU, do you think that NAFTA could become an economic union in the foreseeable future? Why or why not? Use your understanding of economic and monetary unions as well as your understanding of the cultures of the countries in NAFTA. Review the two arguments against the EU as outlined in the opening case. How do you feel that culture, politics, society, and history would impact any possible economic union for NAFTA?
3. The *Wall Street Journal* highlighted the issue of conflict minerals in an article entitled "Retailers Fight to Escape 'Conflict Minerals' Law." Retailers, including Walmart and Target, are protesting part of a new US law that requires companies to verify that products with minerals from Central Africa are not taxed or controlled by rebel regimes: "Some of the largest U.S. retailers argue they shouldn't have to comply with the rule if they don't exercise direct control over the manufacturing of goods carrying their own brands....Tracing the source of minerals is a tricky task, companies say, because many intermediaries stand between them and the mines." Jessica Holzer, "Retailers Fight to Escape Conflict Minerals Law," *Wall Street Journal*, December 2, 2010, accessed January 2, 2010, <http://online.wsj.com/article/SB10001424052748703865004575648992964733232.html>. Based on what you learned in this chapter and the sidebar on conflict diamonds in Angola, do you agree or disagree with the statement above and the retailers' position? Why or why not? Should retailers that have their name on a product be responsible for how the product is made?

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