

The World Is at Your Doorstep. Do You Open the Door?

Duty/Concept Area

Understanding the Role of Economics in a Global Economy

Scenario

You have been hired as a market analyst for a major corporation that is considering going global with a product or service. You are required to research and explain the various aspects of economics that will affect this corporation's ability to go global with that product.

Big Question

How do the various aspects of economics affect this business and its decisions?

Focused Questions

1. How will the company's product address wants, needs, or both in the global marketplace?
2. How will scarcity affect potential consumer purchasing decisions regarding the company's product?
3. What are the specific factors of production (natural, human, and capital resources) involved in making the company's products? Should they be sourced domestically or internationally? How would this affect the business?
4. How do the laws of supply and demand affect this company's product? What will happen if the price is set too high? Too low?
5. How will going global affect supply and demand for the company's products?
6. What are some potential economic benefits of going global for this company?
7. What emerging economies might compete with this company? What emerging economies might be potential markets? How could each of these economies affect the company's success in going global?
8. Are there any specific countries that this company would want to target because of beneficial trade agreements or exchange rates?
9. Are there any specific countries that this company would want to avoid because of trade barriers or harmful exchange rates?

Project-Based Assessment

Student report and/or presentation (with visual aid) that does the following:

- Identifies the company's products as needs or wants, and the impact of the concept of scarcity on demand for that product
- Identifies the factors of production for the company's products (using specific examples), and determines whether those resources should be acquired domestically or internationally
- Describes the impact of the laws of supply and demand on sales (price, quantity sold) for the company's products
- Describes the potential benefits of going global on demand
- Explains the potential problems of going global that may be faced by this company
- Identifies and analyzes the potential impact of specific emerging economies as competition for this company
- Identifies and analyzes the potential impact of specific emerging economies as potential markets for this company
- Identifies potential countries with positive trade agreements and beneficial exchange rates that this company might want to consider targeting
- Identifies potential countries with trade barriers or adverse exchange rates that this company might want to consider avoiding

Resources

- Documents/articles (available on Internet or in library) on
 - trade barriers with specific countries
 - emerging economies
 - trade agreements.
- [CIA World Factbook](#)