

3.1 Globalisation

3.1.1 Growing economies	Notes	Revision	Exam Qs	R	A	G
a) Growing economic power of:						
Asia (China and India)						
Africa						
other emerging markets						
b) Implications of economic growth for individuals and firms						
trade and rationalisation opportunities for firms						
shifting employment patterns						
c) Rising incomes						
d) Conversion of nominal to real values						
e) Calculating and interpreting index numbers						
3.1.2 Trade and growth	Notes	Revision	Exam Qs	R	A	G
a) Increasing trade liberalisation						
b) The role of specialisation and increasing specialisation by country						
c) Trade liberalisation and economic growth						
d) Foreign direct investment (FDI) and link to growth						
3.1.3 Trading blocs	Notes	Revision	Exam Qs	R	A	G
a) Trade creation and trade diversion						
b) Expansion of trading blocs:						
EU and the single market						
ASEAN						
NAFTA						
c) Impact on firms of trading blocs						
d) Growing interdependence						
3.1.4 Trade policy and trade negotiations	Notes	Revision	Exam Qs	R	A	G
a) Protectionism:						
tariffs and import quotas (with diagrammatic representation)						
other trade barriers						
government legislation and domestic subsidies						
b) International trade negotiations:						
role of G20						
role of international institutions (World Trade Organisation (WTO), International Monetary Fund (IMF), World Bank)						
bilateral trading agreements						
3.1.5 Exchange rate changes	Notes	Revision	Exam Qs	R	A	G
a) Impact of changes in exchange rates and the possible effects on:						
the current account and the balance of payments						
economic growth; firms						
employment/unemployment						
the rate of inflation						
FDI flows						
b) The Eurozone						

3.2 Economic factors in business expansion

3.2.1 Conditions that prompt trade	Notes	Revision	Exam Qs	R	A	G
a) Push factors:						
saturated markets						
competition						
b) Pull factors:						
economies of scale						
risk spreading						
c) Possibility of offshoring and outsourcing						
d) Extending the product life cycles by selling in multiple markets						
e) Raising capacity utilisation						
3.2.2 Assessing the potential of different economies	Notes	Revision	Exam Qs	R	A	G
a) Factors influencing expansion into a market:						
levels and growth of disposable income						
ease of doing business						
infrastructure						
political stability						
exchange rate						
b) Factors influencing the location of production sites:						
costs of production						
skills and availability of labour force						
infrastructure						
location in trade bloc						
government incentives						
ease of doing business						
political stability						
natural resources						
likely return on investment						

3.3 Impact of globalisation on global companies

3.3.1 Responding to global demand	Notes	Revision	Exam Qs	R	A	G
a) Globalisation vs glocalisation						
b) Different approaches to global markets:						
domestic/ethnocentric						
mixed/geocentric						
international/polycentric						
c) Price and non-price competition in global markets						
adapting marketing strategies for global markets						
d) Branding and differentiation in global markets						
3.3.2 Demand-side factors in global markets	Notes	Revision	Exam Qs	R	A	G
a) Cultural/social factors:						
cultural differences						
different tastes						
b) Information and communication factors:						
language, unintended meanings,						
inappropriate/inaccurate translations						
c) How firms respond to these demand-side factors						
adapting marketing strategies for niche and mass markets						

3.4 Impact of globalisation on local and national economies

3.4.1 The impact of multinational corporations (MNCs)	Notes	Revision	Exam Qs	R	A	G
a) Impact of MNCs on the local economy:						
local labour, wages, working conditions and job creation						
local firms						
the local community and environment						
b) Impact of MNCs on the national economy:						
economic growth						
FDI flows						
balance of payments						
technology and skills transfer						
consumers						
business culture						
tax revenues and transfer pricing						
3.4.2 Ethical issues	Notes	Revision	Exam Qs	R	A	G
a) Stakeholder conflicts						
b) Pay and working conditions						
c) Environmental considerations:						
emissions						
waste disposal						
d) Supply chain considerations:						
exploitation of labour						
child labour						
e) Marketing considerations:						
misleading product labelling						
inappropriate promotional activities						
3.4.3 Controlling MNCs	Notes	Revision	Exam Qs	R	A	G
a) Factors to consider:						
political influence						
legal control						
pressure groups						
social media						
b) Self-regulation						

3.5 Global labour markets

3.5.1 Employment patterns	Notes	Revision	Exam Qs	R	A	G
a) Growth of the global labour force						
b) Structural change						
c) Interdependence of labour markets						
3.5.2 Wage rates:	Notes	Revision	Exam Qs	R	A	G
a) Factors that influence the supply of and demand for labour						
b) The importance of skills, training and education						
c) Impact of global competition, recession and redundancies						
d) Impact of trade unions and professional bodies						
3.5.3 Minimum Wage legislation	Notes	Revision	Exam Qs	R	A	G
a) Minimum wages in developing and developed countries						
b) Skill shortages and their impact on international competitiveness						
c) Migration:						
within economies						
between economies						
d) Inequality and incentives						

3.6 Inequality and re-distribution

3.6.1 Poverty and inequality	Notes	Revision	Exam Qs	R	A	G
a) Absolute and relative poverty						
b) Measures of poverty:						
national measures						
international measures						
c) Measures of inequality:						
Gini coefficient						
Lorenz curve (diagrammatic analysis)						
3.6.2 Reducing poverty	Notes	Revision	Exam Qs	R	A	G
a) Economic development and economic growth						
b) International aid and improvements in welfare; non-governmental organisations (NGOs)						
c) Poverty reduction policies						
3.6.3 The impact of inequality on economic agents	Notes	Revision	Exam Qs	R	A	G
a) On individuals						
b) On firms: connections between low income and low productivity						
c) On the economy						
3.6.4 Re-distribution of income and wealth	Notes	Revision	Exam Qs	R	A	G
a) The distinction between income and wealth						
b) Incentives and the poverty trap						
c) Taxation and the provision of services						