Unit 4: Year 13 Spring/Summer term

| Week | Topic | Content | Suggested activities and resources |
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| 1 | **4.3.1 Globalisation** | **1 Growing economies**a) Characteristics of developed, developing and emerging economies.b) Growing economic power of countries within Asia, Africa and other parts of the world.c) Implications of economic growth for individuals and businesses:* trade opportunities for businesses
* employment patterns.

d) Indicators of growth:* gross domestic product (GDP) and GDP per capita
* • human development index (HDI).
 | The teacher could write down 20 or so products on individual sticky notes. Students in groups then have to consider whether the demand for these products is income elastic or income inelastic for the UK market. Once each group has made their decisions they have to stick the sticky notes onto a board which has been divided into two, one side entitled ‘income elastic demand’ and the other ‘income inelastic demand’. Each group’s sticky notes can be identified via different coloured ink. The teacher can ask each group to justify their decision.The whole activity could then be re-run for a BRIC/MINT country. This should hopefully identify that markets in the UK are more likely to be saturated than BRIC/MINT markets.Wikipedia has some useful statistics and graphs under ‘BRIC’. These can be used as part of a lesson or a handout. Students could discuss the strengths and limitations of each of the indicators as a measure of growth. |
| 2 | **2 International trade and business growth**a) Exports and imports.b) Implications of increasing specialisation by countries and businesses.c) Foreign direct investment (FDI) and link to business growth. | In groups, students could be given the task to make something, e.g. a paper mobile, which involves at least four stages, e.g. cutting out, adding string, colouring in etc. Make sure that the number of tasks equates to the number of students in each group. Each group is then asked to produce as many of the items as they can in a given time period.The aim is to see if any group sub-divides their labour so that each student specialises in each individual stage of the production process. Normally this group will produce more compared with a group where each student tries to make the entirety of the product. The teacher could, at the end of the session, introduce a nominal labour cost per time period to illustrate that the group which produced the most would actually have the lowest unit costs of production. |
| 3 | **3 Factors contributing to increased globalisation**a) Trade liberalisation, the reduction of trade barriers and the role of the WTO.b) Political change.c) Reduced cost of transport and communication.d) Increased significance of global (multinational) corporations (MNCs).e) Increased investment flows (FDI).f) Migration within and between economies.g) Growth of the global labour force.h) Structural change.i) Impact on businesses of increased globalisation. | [www.globalsherpa.org](http://www.globalsherpa.org) is an invaluable source for information, data, charts and tables, as well as some useful quizzes. YouTube has a good introductory video titled *How containerization shaped the modern world*.<https://www.tutor2u.net/business/reference/factors-that-have-contributed-to-globalisation><http://www.bbc.co.uk/schools/gcsebitesize/geography/globalisation/globalisation_rev2.shtml> |
| 4 | **4 Protectionism**a) Reasons for protectionism.b) Tariffs.c) Import quotas.d) Other trade barriers:* government legislation
* domestic subsidies.

e) Impact on businesses of protectionism. | Students can be asked to research the latest stage of trade negotiations. They could also see what is happening by using the WTO, IMF and World Bank sites.Googling should bring up some recent examples of bilateral trade agreements. At the time of writing, recent agreements included ones between India and Finland, and Australia and Japan. |
| 5 | **4.1.5 Trading blocs**a) Expansion of trading blocs:* EU and the single market
* ASEAN
* NAFTA.

b) The impact on businesses of trading blocs. | Tutor2u has a good introduction to trade blocs titled *International Economics – Trade Blocs*.<http://asean.org/><https://www.nafta-sec-alena.org/Home/Welcome>Students should consider the benefits and disadvantages of trade blocs for a range of scenarios. |
| 6 | **4.3.2 Global markets and business expansion** | **1 Conditions that prompt trade**a) Push factors:* saturated markets
* competition.

b) Pull factors:* increased sales and profitability
* risk spreading and economies of scale.

c) Cost competitiveness by off-shoring and outsourcing.d) Extending the product life cycle. | Try to use real-world examples when teaching this. For example, get students to find out how slow growth in the Eurozone from 2012–2014 affected the UK’s export sales.This section can be linked back to Unit 1 and the product lifecycle – many MNCs have seen a decline in their home markets and are looking to extend their reach into new and often untapped markets.Yum Brands, who own KFC and Pizza Hut, have extended into both India and China as a way to increase sales due to a saturated US market for fast foods. <http://www.yum.com/> |
| 7 | **2 Assessment of a country as a market**a) Factors to consider:* levels and growth of disposable income
* ease of doing business
* infrastructure
* political stability
* exchange rates.

b) Application of Porter’s five forces in assessing potential markets**3 Assessment of a country as a production location**a) Factors to consider:* 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.
 | Students could be given a list of all the factors (more than 20) that could make a country attractive as a market. Each of these factors could be placed on its own small pieces of paper. Each group of students will then have to decide which factors are relevant to a set of business scenarios produced by the teacher.Example scenarios are Costa Coffee wanting to break into the US market and Li-Ning wanting to break into the US sportswear market.Students then have to produce a poster outlining the factors that they feel are most important to the scenario provided. Therefore students have to decide which factors are relevant depending on the scenario. Each factor could be glued onto a poster, hence the use of small pieces of paper. Students could then be given the opportunity to explain their posters to the rest of the class.Students could be given information on a variety of different countries and be asked in groups to decide which country is the best production location for a particular product or service. Some could be straight forward, e.g. extractive industries, whereas others could be more debatable, e.g. customer support centres.Students will not be expected to have in-depth knowledge of potential markets and locations but rather an appreciation of the various influencing factors involved and how they will differ in importance for different businesses.Point out that the biggest recipients of FDI are the developed nations; it’s not all about finding lowest cost sites. |
| 8 | **4 Reasons for global mergers, takeovers or joint ventures**a) Spreading risk and economies of scale.b) Entering new markets/trade blocs.c) Acquiring national/international brand names/patents.d) Securing resources/supplies.e) Maintaining/increasing global competitiveness.f) Reducing competition.g) Making use of local knowledge.h) Government or legal requirement.i) Accessing supply chains/distribution networks.j) Sharing costs/risks.**5 Global expansion and uncertainty**a) The impact on businesses of movements in exchange rates.b) Skill shortages and their impact on international competitiveness. | Students could complete a ‘diamond 9’ grid for a series of differing businesses which examines the impact exchange rates will have on them. For instance, a scenario could be given such as a strengthening pound, with the students needing to consider the importance of impacts of the strengthening pound on that business.Ensure that you select a range of differing businesses in a range of different contexts, e.g. businesses that do not export/businesses that export heavily.Bized and Tutor2u both have some useful material on the economics effects of exchange rate changes.There should be plenty of video clips and resources on sites such as the BBC website |
| 9 | **4.3.3 Global marketing** | **1 Marketing**a) Global marketing strategy and global localisation (glocalisation).b) Different marketing approaches:* domestic/ethnocentric
* mixed/geocentric
* international/polycentric.

c) Application and adaptation of the marketing mix (4Ps) to global markets.d) Application of Ansoff’s matrix and Porter’s matrix to global marketing decisions. | ‘SOM 354: Coca-Cola International Business Strategy’ on YouTube gives a good (if rather ‘corporate’) introduction into the range and scale of different products a large MNC has and how they differ from area to area. Other good YouTube examples include McDonald’sStudents could be shown a range of adverts from YouTube and they have to decide whether they illustrate ethnocentric, geocentric or polycentric marketing. The teacher could use adverts that are identical irrespective of the country the advert is used in, e.g. Lindt chocolate, and then show examples of others where the advertising focus has to differ between countries, e.g. McDonald’s.YouTube has some very good clips to illustrate this such as ‘McDonald’s global and local strategy’ and ‘McDonald’s global strategy’.An alternative approach to this activity could be for students to find their own examples of different adverts illustrating the three approaches and then present their findings to the rest of the class, explaining why the adverts are indicative of a different marketing approach. |
| 10 | **2 Niche markets**a) Cultural diversity: recognition that groups of people across the globe have different interests and values.b) Features of global niche markets.c) Application and adaptation of the marketing mix (4Ps) to suit global niches.**3 Cultural and social factors**a) Considerations for businesses:• cultural differences• different tastes and preferences• language and unintended meanings• inappropriate branding and promotion. | Students could be given a niche market product (e.g. Beats by Dre headphones) and be tasked with designing a marketing campaign for the product that allows it to be successfully sold in a given country. Students could research the style of adverts used in that country using YouTube and carry out further research into the country. This activity could be completed using smartphones or iPads since students will be able to use an app (e.g. Video Star) to produce a high-quality advert for their product. The teacher could provide slips of paper that consist of a country and a niche market product, and each group of students could select their product and country at random. This allows the teachers to consider whether students have tailored their advert to the particular needs of their given country or not.A prize could be given for the best advert. |
| 11 | **4.3.4 Global industries and** **companies (multinational corporations)** | **1 The impact of MNCs**a) Impact of MNCs on the local economy:* local labour, wages, working conditions and job creation
* local businesses
* 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.
 | Students can explore this section and the next by presenting case studies to the group on a particular MNC, highlighting/illustrating both positive and negative impacts of MNCs. Students will need to be able to assess the relative benefits and drawbacks that MNCs bring to an economy and to understand the controversies that can surround them. It is important that they understand both sides of the argument and are able to present a balanced answer using examples.Students could research the impact of Ford’s decision in 2013 to cease production of cars and vans in the UK, with van production being switched to Turkey. Working in small groups, students should consider the factors that allowed Ford to move the production of vans offshore.The small groups should complete the table on the next page which considers the advantages and drawbacks to a range of stakeholders that resulted from the decision. Students should use the table to decide whether Ford were right to move production offshore.

|  |  |
| --- | --- |
| Advantages to Ford’s customers | Disadvantages to Ford’s customers |
|  |  |
| Advantages to Ford | Disadvantages to Ford |
|  |  |
| Advantages to Turkey | Disadvantages to Turkey |
|  |  |
| Advantages to UK | Disadvantages to UK |
|  |  |

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| 12 |  | **2 International business ethics**a) Stakeholder conflicts.b) Environmental considerations:* emissions and waste disposal
* sustainability.

c) Supply chain considerations:* pay and working conditions
* exploitation of labour and child labour.

d) Marketing considerations:• misleading product labelling• inappropriate marketing activities**.** | Students could research a particular business and see what the potential conflicts are and what impact this has had. They could then report their findings to the group.The International Labour Organisation (ILO) has some useful material and resources for this topic.There are plenty of examples of MNCs who have been in the news regarding their supply chains and negative publicity:Primark and Rana Plaza building collapse BP – Gulf of MexicoShell – NigeriaBAT and Philip Morris International – targeting women and young people with cigarette advertising.  |
| 13 | **3 Controlling MNCs**a) Factors to consider:* power of MNC
* political influence
* legal control
* consumer pressure
* pressure groups
* social media
* self-regulation.
 | There have been many attempts to encourage self-regulation, either from within industry itself or encouraged by outside bodies, such as OECD’s Guidelines on Multinational Enterprises, UNCTAD’s Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices, or the UN’s Global Compact. Students could look at these agreements and assess their effectiveness.Students need to be aware of the various ways in which the activities of MNCs might be regulated, influenced or controlled. They need to know how effective these factors might be and what will make them more or less effective depending on the situation. For example, the USA or China is likely to have much greater influence over MNCs than Mozambique or Ethiopia.Divide the class into groups. Each group should research a pressure group provided by the teacher. The pressure groups should be a combination of successful/unsuccessful ones, for example:* Baby Milk Action – [www.babymilkaction.org/about-us](http://www.babymilkaction.org/about-us)
* Greenpeace – [www.greenpeace.org.uk/](http://www.greenpeace.org.uk/)

In groups students have to produce a PowerPoint presentation explaining: * why the pressure group is unsuccessful/successful
* what the pressure group can do to become more/even more successful.

Each group should present their findings to the rest of the class. |
| 14-15 | Revision and A level exam preparation | Revision of Units 1, 2, 3 and 4Exam preparation |  |