Study Guide for Exam #1 -- covers chapters 1-5

PLEASE BRING A PENCIL AND AN ERASER – and do not forget. Really. *Try not to forget.*

*What is a study guide? It is an outline of questions that are likely to be on the exam. It helps narrow down what to study.*

 *In addition, I will review the actual exam in class. For real. The actual exam itself.

If you’ve read all the chapters before my lectures and if you’ve gone beyond the minimum number of questions (40)
 on the weekly Orion homework, your chances of a high test score are improved.*

*Questions?* *sberston@ccsf.edu*

[*www.buildequity.weebly.com*](http://www.buildequity.weebly.com) *is where this can be found. Thanks for being in my class. Hang in there. Perseverance pays off. I promise.*

**Chapter 1**

What is business?

What are the four basic inputs of the factors of production?

What is the private enterprise system?

How would you describe competition in the private enterprise system?

What do citizens in a private enterprise system enjoy?

What is the social era of business?

What are the advantages of a strategic alliance?

Discuss workplace trends in business

Why are critical thinking skills important?

**Chapter 2**

What is business ethics?

What is social responsibility?

What are the factors shaping individual ethics?

What influences individual ethics?

How is ethical conduct shaped within an organization?

Why do ethical lapses happen?

How can business support an ethical corporate culture?

What is ethical leadership?

What is a conflict of interest?

How can business act responsibly to satisfy society? Cite examples and ways.

How can businesses treat customers and consumers fairly?

How do businesses support social causes in the communities in which they operate?

How do businesses create a safe workplace?

What are the ethical responsibilities of businesses to investors?

What is the SEC?

**Chapter 3**

What is economics?

What is the difference between microeconomics and macroeconomics?

What factors influence/determine demand? Supply? What is the equilibrium?

What are the four basic models that characterize competition?

What are the different types of economic systems?

How is economic performance evaluated?

What is GDP? Inflation? Types of unemployment?

How is inflation calculated?

Why is productivity important?

How is the economy’s money supply managed?
How is the money supply changed?

**Chapter 4**

Why do nations trade?

What is absolute/comparative advantage?

How is international trade measured?

Why is understanding an exchange rate (and its fluctuation) important?

What are the barriers to international trade?

What are some of the international organizations (WTO, IMF, World Bank) that encourage trade?

What is NAFTA?

What are ways for a company to go global?

Import/Export

Franchising

Foreign Licensing

Subcontracting

Foreign Direct investment

What is a multidomestic or adaptation strategy for international business?

**Chapter 5**

Why are most businesses small businesses?

What is the definition of a small business?

What contributions do small businesses make to an economy?

Why do (reasons) small businesses so commonly fail?

Why is there so much assistance for small businesses?

What is franchising as a small business option?

What are the forms of private business ownership?

What is a merger? Acquisition? Joint Venture?