

Tasks to Complete

Chapter 3 Competing in the Global Marketplace

These are the tasks you are to complete in this module. Complete each item, from top to bottom, in the order given here.

PART 1

1. Read the section in your textbook, [Competing in the Global Marketplace-Introduction](#)
2. Read the section in your textbook [3.1 Global Trade in the United States](#)
3. **A quick note about trade deficits:** a trade deficit is not automatically always a bad thing. For example, you probably run a trade deficit with HEB or Kroger. Unless you are a farmer or someone who sells products to the grocery store, you probably buy lot more products from the grocery store than the grocery store buys from you. You give HEB money and HEB gives you food. So you have a trade deficit with HEB. So, think of countries like China. They may buy more goods from the USA than the USA buys from them, but they are giving USA companies an asset (money) in exchange (just like you give HEB money for goods) Of course, if we buy products from China, it would be better if they also bought products from us.
4. If you are going to be knowledgeable about business, you need to understand how countries stack up are in the world economy. Study this chart: [GDP of world \(chart\)](#) The colors represent the various continents. The size of each country represents the size of that country's economy. It also shows the country's percentage of the global economy. Consider these questions: What percentage of the world's economy does the US represent? What are the largest economies in the world? Look at this chart, which shows the populations of countries: <https://www.worldometers.info/world-population/population-by-country/> What percentage of the world's population is China? What about the USA?
5. Study these trade balance charts.
 - o [Trade deficit with China last several years](#) (source: [statista.com](https://www.statista.com))
 - o <https://www.statista.com/statistics/263632/trade-balance-of-china/>Consider this question: What do the charts indicate to you?
6. Watch this video [Exchange rate primer Khan Academy](#) [length 7:25) Look at current exchange rate of the [British pound vs Dollar](#) How much would you have to pay in dollars if a product was 20 £? (£ is the the symbol for the British pound)
7. Read the section in your textbook [3.2 Why Nations Trade](#)
8. To better understand *comparative advantage vs absolute advantage* take a look at this webpage from Investopedia. It has a short video, some examples, and some background history. [Absolute vs. Comparative Advantage: What's the Difference?](#)
9. <https://www.investopedia.com/terms/t/trade-war.asp>
10. After completing this section, complete the Blackboard assignment: **Chapter 3 Competing in the Global Marketplace Part 1** This assignment covers material from PART 1 of Chapter 3 Competing in the Global Marketplace You may use the book and the web to answer these questions. Do not get help from others.

Part 2

3.3 Barriers to Trade

1. Read the section in your textbook [3.3 Barriers to Trade](#)
2. For more info, here is a video and more details on trade barriers. This video is optional for you (I won't test you over it) but give some good info if you're interested [The Basics of Tariffs and Trade Barriers](#)

3.4 Fostering Global Trade

1. Read the section in your textbook [3.4 Fostering Global Trade](#)

3.5 International Economic Communities

1. Read the section in your textbook [3.5 International Economic Communities](#) Note: The United States-Mexico-Canada Agreement, also known as the USMCA, is a trade deal between the three nations which was signed on November 30, 2018 and replaces the North American Free Trade Agreement (NAFTA), which had been in effect since January of 1994.
2. Watch these videos:
 - [NPR: How the USMCA trade deal differs from NAFTA -- and how it doesn't](#) (7:14)
 - [Vox: USMCA vs NAFTA, explained with a toy car](#) (6:36)
3. Other Trade Agreements
 - Trans-Pacific Partnership (TPP) The Trans-Pacific Partnership, or TPP, was a proposed trade agreement that was drafted in 2015. It was signed the following year. However, it was never ratified and therefore never went into effect. [The Trans-Pacific Partnership \(TPP\) Explained](#) (4 minutes)
 - The Comprehensive and Progressive Agreement for Trans-Pacific Partnership, also known as TPP11 or TPP-11, is a trade agreement between Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam. [CNBC TPP11](#) (4:30)
 - US-China Trade Agreement 'Phase 1' China Trade Deal **January 2020 Trade Deal with China** The Trump administration argues that the Phase 1 deal is a solid start that includes Chinese commitments to do more to protect intellectual property, curb the practice of forcing foreign companies to hand over sensitive technology and refrain from manipulating their currency lower to benefit Chinese exporters. But the agreement leaves many other trade barriers in place, including stiff tariffs on two-thirds of everything the U.S. buys from China. (Sources: [US-China Trade Deal](#) (article) [Does The China Trade Deal Move The World Away From Free Trade?](#) (article))
4. After completing this section, complete the assignment: **Chapter 3 Competing in the Global Marketplace Part 2** This assignment covers material from PART 2 of Chapter 3 Competing in the Global Marketplace You may use the book and the web to answer these questions. Do not get help from others.

3.6 Participating in the Global Marketplace

1. Read the section in your textbook [3.6 Participating in the Global Marketplace](#)

3.7 Threats and Opportunities in the Global Marketplace

1. Read the section in your textbook [3.7 Threats and Opportunities in the Global Marketplace](#)

3.8 The Impact of Multinational Corporations

1. Read the section in your textbook [3.8 The Impact of Multinational Corporations](#)

3.9 Trends in Global Competition

1. Read the section in your textbook [3.9 Trends in Global Competition](#)
2. Watch this video: [Animation: The World's Biggest Economies in 2030](#) (length 2:57) (notice this is an "adjusted" GDP and is not the same as the GDP here [GDP of world \(chart\)](#) see [What Is Purchasing Power Parity \(PPP\)](#) for more info.)