

### Checkpoint 4.1

1. Identify three local resources or organizations that can help you start your own small business in your community.

Answer: (any three) 1. Chamber of commerce. 2. Better Business Bureau (BBB). 3. Enterprise zone. 4. Small Business Administration (SBA). 5. Service clubs. 6. State websites. 7. SCORE.

2. How does the SBA define small businesses?

Answer: The SBA defines a *small business* as one that is independently owned and operated, is organized for profit, and is not dominant in its field.

3. How do small businesses help the economy?

Answer: They both create American-made products and often use products from local suppliers. This practice keeps more production and manufacturing in the United States. Buying local saves transportation costs so the owner then has more money to spend locally. In addition, small businesses create local jobs. Those employees also spend money in their community. Local hiring policies also boost payroll taxes and support local government.

4. Describe how the closing of a small business affects the local economy.

Answer: One small business closure can have a negative ripple effect on a local economy. Businesses depend on each other to keep a local economy functioning. If one local business closes, people may have to go outside of the community to fulfill their needs. The remaining local businesses may struggle to keep their customers, which can negatively impact a community.

5. Explain how the Better Business Bureau (BBB) can help consumers.

Answer: The BBB provides reliability reports about companies. These reports help consumers make informed decisions about which businesses to use. Consumers can also file complaints with the BBB related to a business to get help resolving issues.

## Checkpoint 4.2

1. Name the five strategies for taking a business global.

Answer: 1. Start your own business. 2. Exporting. 3. Importing. 4. Licensing. 5. International joint ventures.

2. Describe the difference between importing and exporting.

Answer: Exporting is shipping products made in one country to another country for future sale. Importing is bringing products made in one country into another country for future sale. It is the opposite of exporting.

3. What is an advantage of licensing your product or service in another country?

Answer: The licensor receives income and spends little time or money producing the products.

4. Explain the advantages of establishing a joint venture in another country.

Answer: One partner already knows the market, the culture, and how to do business in that country. The other partner's learning curve will then be shorter. A joint venture may provide a business opportunity that was not open any other way.

5. Name three agencies in the United States that help control international business.

Answer: *(any three)* 1. US Department of Commerce (DOC). 2. Small Business Administration. 3. US Customs and Border Protection (CPB). 4. Environmental Protection Agency (EPA). 5. Small Business Administration (SBA). 6. US Embassies.