GAC022 Cross-border Decisions, Exchange Rates and Evidence

GAC Business · Vocabulary in context

Word	Example
Globalisation /ˌgləʊbəlaɪˈzeɪʃn/	**Globalisation** lets the factory sell to buyers in other countries.
Exporting /ekˈspɔːtɪŋ/	**Exporting** lets the firm sell its chairs abroad.
Licensing /ˈlaɪsənsɪŋ/	**Licensing** lets another firm use the design for a fee.
Franchising /ˈfræntʃaɪzɪŋ/	**Franchising** lets a local owner run a shop under a famous brand.
joint venture /dʒɔɪnt ˈventʃə/	Two firms form a **joint venture** to build a factory together.
wholly owned subsidiary /ˈhəʊli əʊnd sʌbˈsɪdjəri/	The parent company owns all of its **wholly owned subsidiary**.
exchange rate /eksˈtʃeɪndʒ reɪt/	The **exchange rate** is the price of one currency in another.
Contribution /ˌkɒntrɪˈbjuːʃn/	**Contribution** is price minus variable cost for each item.
tariff /ˈtærɪf/	A **tariff** is a tax on imported goods.
quota /ˈkwəʊtə/	An import **quota** limits how many cars can come in.
free-trade area /friː treɪd ˈeərɪə/	Members of a **free-trade area** have no tariffs between them.
customs union /ˈkʌstəmz ˈjuːnɪən/	A **customs union** also has the same tariff on goods from outside.

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Political risk /pəˈlɪtɪkl rɪsk/	The firm thinks about **political risk** before opening a factory abroad.
Intellectual property /ˌɪntəˈlektʃuːəl ˈprɒpəti/	The firm protects its **intellectual property**, such as its designs.
Corporate social responsibility /ˈkɔːpərət ˈsəʊʃl rɪˌspɒnsəˈbɪlɪti/	Cutting waste is part of **corporate social responsibility**.
matrix structure /ˈmeɪtrɪks ˈstrʌktʃə/	In a **matrix structure**, staff may report to two managers.
Standardisation /ˌstændədaɪˈzeɪʃn/	**Standardisation** keeps the same package design in every country.
Adaptation /ˌædæpˈteɪʃn/	**Adaptation** changes the package to suit local customers.