



Business Trends: Cultivating a Business in Diverse, Global Environments

Chapter One

Taking Risks and Making Profits within the Dynamic Business Environment

Profile: Getting to Know Nick Graham, Owner of the Main Street Market 2

Entrepreneurship and Wealth Building 4

Revenues, Profits, and Losses 5

Matching Risk with Profit 5

Standard of Living and Quality of Life 5

Responding to the Various Business

Stakeholders 6

Using Business Principles in Nonprofit

Organizations 7

Chapter Two

28 Understanding How Economics Affects
Business

Profile: Getting to Know Muhammad Yunus, Founder of the Grameen Bank 28

How Economic Conditions Affect Businesses 30

What Is Economics? 30

The Secret to Creating a Wealthy Economy 31

Thinking Green: More Profits from the Green

Revolution 32

Adam Smith and the Creation of Wealth 33

How Businesses Benefit the Community 33

Making Ethical Decisions: Corruption Destroys

Economies 34

Understanding Free-Market Capitalism 34

The Foundations of Capitalism 35

Spotlight on Small Business: The Key to Capitalism is Capital 36

How Free Markets Work 36

How Prices Are Determined 36

The Economic Concept of Supply 37

The Economic Concept of Demand 37

contents

Entrepreneurship versus Working for Others 8

Opportunities for Entrepreneurs 9

The Importance of Entrepreneurs to the

Creation of Wealth 9

Spotlight on Small Business: Hiring People

with Special Needs 10

The Business Environment II

The Economic and Legal Environment 12

The Technological Environment 14

Making Ethical Decisions: Ethics Begins

with You 15

The Competitive Environment 16

The Social Environment 17

The Global Environment 18

Thinking Green: Getting Involved Personally 20

The Evolution of U.S. Business 20

Progress in the Agricultural and Manufacturing

Industries 20

Progress in Service Industries 21

Your Future in Business 21

Connect Interactive Applications 25

The Equilibrium Point, or Market Price 37

Competition within Free Markets 39

Benefits and Limitations of Free Markets 39

Understanding Socialism 40

The Benefits of Socialism 41

The Negative Consequences of Socialism 41

Understanding Communism 41

The Trend toward Mixed Economies 42

Reaching Beyond Our Borders: Prospering in Foreign Lands 43

Understanding the U.S. Economic System 45

Key Economic Indicators 45

Productivity in the United States 48

Productivity in the Service Sector 48

The Business Cycle 48

Stabilizing the Economy through

Fiscal Policy 49

Fiscal Policy in Action during the Economic

Crisis of 2008-2010 50

Using Monetary Policy to Keep the Economy

Growing 51

Connect Interactive Applications 54

Chapter Three

58 Doing Business in Global Markets

Profile: Getting to Know Sheikha Lubna al-Qasimi, Foreign Trade Minister of the United Arab Emirates 58

The Dynamic Global Market 60 Why Trade with Other Nations? 61

The Theories of Comparative and Absolute Advantage 6I

Getting Involved in Global Trade 62

Importing Goods and Services 63

Exporting Goods and Services 63

Spotlight on Small Business: Finding Cracks in the Great Wall 64

Measuring Global Trade 64

Strategies for Reaching Global Markets 66

Licensing 66

Exporting 67

Reaching Beyond Our Borders: The Sun Never

Sets on Mickey D's 68

Franchising 68

Contract Manufacturing 69

International Joint Ventures and Strategic

Alliances 70

Foreign Direct Investment 70

Forces Affecting Trading in Global Markets 72

Sociocultural Forces 72

Economic and Financial Forces 73

Legal and Regulatory Forces 74

Physical and Environmental Forces 75

Trade Protectionism 75

The World Trade Organization 76

Common Markets 77

The North American and Central American Free

Trade Agreements 78

Legal Briefcase: NAFTA or SHAFTA? 79

The Future of Global Trade 80

The Challenge of Offshore Outsourcing 81

Making Ethical Decisions: Take Two Aspirins and Go to Thailand 82

Globalization and Your Future 83

Connect Interactive Applications 85

Chapter Four

88 Demanding Ethical and Socially Responsible Behavior

Profile: Getting to Know Steve Ells, Founder and CEO of Chipotle Mexican Grill 88

Ethics Is More Than Legality 90

Legal Briefcase: Paying the Price 91
Ethical Standards Are Fundamental 92

Ethics Begins with Each of Us 92

Making Ethical Decisions: To Tube or Not to Tube? 93

Managing Businesses Ethically and Responsibly 94

Setting Corporate Ethical Standards 96

Corporate Social Responsibility 98

Responsibility to Customers 100

Responsibility to Investors 101

Responsibility to Employees 102

Responsibility to Society and the Environment 102

Thinking Green: Green Greed 104

Social Auditing 104

International Ethics and Social Responsibility 105

Reaching Beyond Our Borders: Ethical Culture Clash 107

Connect Interactive Applications 109

part 2

Business Ownership: Starting a Small Business

Chapter Five

112 How to Form a Business

Profile: Getting to Know Brian Scudamore, Founder of I-800-GOT-JUNK? II2 Basic Forms of Business Ownership II4 Sole Proprietorships II5

Advantages of Sole Proprietorships II5

Disadvantages of Sole Proprietorships II6

Partnerships 117

Advantages of Partnerships II8 Spotlight on Small Business: Pick Your Partner Wisely II9

Disadvantages of Partnerships 119

Corporations 121

Advantages of Corporations 121

Disadvantages of Corporations 123
Individuals Can Incorporate 124

S Corporations 125

Limited Liability Companies 126

Legal Briefcase: Vermont Wants to Be the Home of Your New Virtual Company 127

Corporate Expansion: Mergers and Acquisitions 129

Thinking Green: Root, Root, Root for the Green Team 131

Franchises 131

Advantages of Franchises 132 Disadvantages of Franchises 133 Diversity in Franchising 134

Home-Based Franchises 135

E-Commerce in Franchising 136

Using Technology in Franchising 136

Franchising in International Markets 136

Cooperatives 137
Which Form of Ownership Is for You? 138
Connect Interactive Applications 140

Chapter Six

144 Entrepreneurship and Starting a Small Business

> Profile: Getting to Know Sheila C. Johnson, Cofounder of Black Entertainment Television (BET) 144

The Age of the Entrepreneur 146
The Job-Creating Power of Entrepreneurs in the United States 146

Spotlight on Small Business: You're Never Too Young to Be an Entrepreneur 147

Why People Take the Entrepreneurial Challenge 147

What Does It Take to Be an Entrepreneur? I48
Thinking Green: Socially Responsible
Entrepreneurship I49

Turning Your Passions and Problems into Opportunities 149

Entrepreneurial Teams 150

Micropreneurs and Home-Based Businesses 150 Reaching Beyond Our Borders: Outsourcing Your Small Business 153

Web-Based Businesses 154

Entrepreneurship within Firms 155

Encouraging Entrepreneurship: What Government Can Do 156

Getting Started in Small Business 157

Small versus Big Business 157 Importance of Small Businesses 158 Small-Business Success and Failure 158

Learning about Small-Business Operations 160

Learn from Others 160

Get Some Experience 160

Take Over a Successful Firm 160

Making Ethical Decisions: Going Down with the Ship 161

Managing a Small Business 161

Begin with Planning 162

Writing a Business Plan 162

Getting Money to Fund a Small Business 164

The Small Business Administration (SBA) 165

Knowing Your Customers 166

Managing Employees 167

Keeping Records 167 Looking for Help 167

Going International: Small-Business

Prospects 169

Connect Interactive Applications 172

part 3

Business Management: Empowering Employees to Satisfy Customers

Chapter Seven

176 Management and Leadership

Profile: Getting to Know Indra Krishnamurthy Nooyi, CEO of PepsiCo 176

Managers' Roles Are Evolving 178

The Four Functions of Management 179

Reaching Beyond Our Borders: We Need Managers Over Here 180

Planning and Decision Making 181

Spotlight on Small Business: I'd Rather Be Blue 185

Decision Making: Finding the Best Alternative 185

Organizing: Creating a Unified System 186

Tasks and Skills at Different Levels of Management 188

Staffing: Getting and Keeping the Right People 189

Leading: Providing Continuous Vision and Values 189

Making Ethical Decisions: To Share or Not to Share 190

Leadership Styles 190

Empowering Workers 192

Managing Knowledge 192

Controlling: Making Sure It Works 193

A Key Criterion for Measurement: Customer Satisfaction 194

Connect Interactive Applications 197

Chapter Eight

200 Adapting Organizations to Today's Markets

Profile: Getting to Know Anne Mulcahy, Former CEO of Xerox 200

Everyone's Organizing 202

Building an Organization from the Bottom Up 202

Reaching Beyond Our Borders: General Electric

Looks for More Profits 203

Making Ethical Decisions: Safety versus Profit 204

inproyees 167

The Changing Organization 204

The Development of Organization Design 205 Turning Principles into Organization Design 207

Decisions to Make in Structuring Organizations 208

Choosing Centralized or Decentralized Authority 208

Choosing the Appropriate Span of Control 208

Choosing between Tall and Flat Organization

Structures 209

Weighing the Advantages and Disadvantages of Departmentalization 210

Organization Models 213

Line Organizations 213

Line-and-Staff Organizations 213

Matrix-Style Organizations 214

Cross-Functional Self-Managed Teams 216

Going Beyond Organizational Boundaries 216

Managing the Interactions among Firms 217

Transparency and Virtual Organizations 217 Benchmarking and Core Competencies 218

Adapting to Change 219

Restructuring for Empowerment 219 Creating a Change-Oriented Organizational Culture 220

Managing the Informal Organization 221 Spotlight on Small Business: Keeping That

Small-Company Feeling 222

Connect Interactive Applications 225

Chapter Nine

228 Production and Operations Management

Profile: Getting to Know Samuel J. Palmisano, CEO and President of IBM 228

Manufacturing and Services in Perspective 230

Thinking Green: The Green Movement Improves the Economy 231

Manufacturers and Service Organizations Become More Competitive 231

From Production to Operations Management 232

Operations Management in the Service Sector 233

Production Processes 234

The Need to Improve Production Techniques and Cut Costs 236

Computer-Aided Design and Manufacturing 236

Flexible Manufacturing 237

Lean Manufacturing 237

Mass Customization 237

Operations Management Planning 238

Facility Location 238

Facility Location for Manufacturers 239

Making Ethical Decisions: Stay or Leave? 240

Taking Operations Management to the Internet 240

Facility Location in the Future 240

Reaching Beyond Our Borders: Partnering Beyond

Country Borders 24i

Facility Layout 241

Materials Requirement Planning 242

Purchasing 244

Just-in-Time Inventory Control 244

Quality Control 244

The Baldrige Awards 245

ISO 9000 and ISO I4000 Standards 245

Control Procedures: PERT and Gantt

Charts 246

Preparing for the Future 248

Connect Interactive Applications 251

* part 4

Management of Human Resources: Motivating Employees to Produce Quality Goods and Services

Chapter Ten

254 Motivating Employees

Profile: Getting to Know Sergey Brin and Larry Page, Founders of Google 254 The Value of Motivation 256

Frederick Taylor: The Father of Scientific

Management 257

Legal Briefcase: Upset at UPS 258

Elton Mayo and the Hawthorne Studies 259

Motivation and Maslow's Hierarchy of Needs 260

Herzberg's Motivating Factors 261

McGregor's Theory X and Theory Y 263

Theory X 264

Theory Y 264

Ouchi's Theory Z 265

Goal-Setting Theory and Management by Objectives 267

Meeting Employee Expectations: Expectancy Theory 267

Reinforcing Employee Performance: Reinforcement Theory 268

Treating Employees Fairly: Equity Theory 268 Putting Theory into Action 269

Motivation through Job Enrichment 270

Motivating through Open Communication 270

Thinking Green: Green Team, Gol 271

Applying Open Communication in Self-Managed Teams 272

Recognizing a Job Well Done 272

Spotlight on Small Business: Big Motivators for Small Businesses 273

Personalizing Motivation 274

Motivating Employees across the Globe 274

Motivating Employees across Generations 275

Connect Interactive Applications 279

Chapter Eleven

282 Human Resource Management: Finding and Keeping the Best Employees

Profile: Getting to Know Sally Mainquist, President and CEO of Certes Financial Pros 282

Working with People Is Just the Beginning 284

Developing the Ultimate Resource 284

The Human Resource Challenge 286

Thinking Green: Green Eggs and Green Ham 287

Laws Affecting Human Resource Management 287

Legal Briefcase: Government Leaislation 288

Laws Protecting Employees with Disabilities

and Older Employees 289

Effects of Legislation 290

Determining a Firm's Human Resource Needs 290

Recruiting Employees from a Diverse Population 292

Selecting Employees Who Will Be Productive 293

> Spotlight on Small Business: It's Not Easy Being Small 294

Hiring Contingent Workers 296

Making Ethical Decisions: Motivating Temporary Employees 297

Training and Developing Employees for Optimum Performance 297

Management Development 300

Networking 300

Diversity in Management Development 301

Appraising Employee Performance to Get Optimum Results 301

Compensating Employees: Attracting and Keeping the Best 303

Pay Systems 303

Compensating Teams 304

Fringe Benefits 305

Scheduling Employees to Meet Organizational and Employee Needs 306 Flextime Plans 306

Reaching Beyond Our Borders: Working

Worldwide 307

Home-Based Work 308

Job-Sharing Plans 308

Moving Employees Up, Over, and Out 309

Promoting and Reassigning Employees 309

Terminating Employees 310

Retiring Employees 310

Losing Valued Employees 3II

Connect Interactive Applications 313

Chapter Twelve

316 Dealing with Employee-Management Issues and Relationships

> Profile: Getting to Know Roger Goodell, Commissioner of the National Football League 316

Employee-Management Issues 318

Labor Unions from Different Perspectives 319

The Early History of Organized Labor 319

Labor Legislation and Collective Bargaining 320

Objectives of Organized Labor 323

Reaching Beyond Our Borders: Workers of the

World, Unite 325

Resolving Labor-Management

Disagreements 325

Mediation and Arbitration 326

Tactics Used in Labor-Management Conflicts 327

Union Tactics 327

Management Tactics 328

Making Ethical Decisions: When Do You Cross

the Line? 329

The Future of Unions and Labor-Management

Relations 329

Spotlight on Small Business: Nursing the Unions Back to Health 331

Controversial Employee-Management Issues 332

Executive Compensation 332

Legal Briefcase: Paying for Incompetence 333

Pay Equity 334

Sexual Harassment 335

Child Care 336

Elder Care 337

Drug Testing 338

Violence in the Workplace 338

Connect Interactive Applications 341

* part 5

Marketing: Developing and Implementing Customer-Oriented Marketing Plans

Chapter Thirteen

344 Marketing: Helping Buyers Buy

Profile: Getting to Know Cricket Lee, Creator of Fitlogic 344

What Is Marketing? 346

The Evolution of Marketing 347

Spotlight on Small Business: Find a Need and Fill It 348

Nonprofit Organizations and Marketing 349

The Marketing Mix 350

Applying the Marketing Process 350

Thinking Green: Four Ps Drive Marketing 35i

Designing a Product to Meet Consumer

Needs 352

Setting an Appropriate Price 353

Getting the Product to the Right Place 353

Developing an Effective Promotional Strategy 354
Providing Marketers with Information 354

The Marketing Research Process 354

The Marketing Environment 357

Reaching Beyond Our Borders: Social Marketing Goes Global 358

Global Factors 358

Technological Factors 358

Sociocultural Factors 359

Competitive Factors 359

Economic Factors 359

Two Different Markets: Consumer and Businessto-Business (B2B) 359

The Consumer Market 360

Segmenting the Consumer Market 361
Reaching Smaller Market Segments 362
Moving toward Relationship Marketing 363
The Consumer Decision-Making Process 363

The Business-to-Business Market 365
Your Prospects in Marketing 366
Connect Interactive Applications 368

Chapter Fourteen

372 Developing and Pricing Goods and Services

Profile: Getting to Know Ratan Tata from the Tata Group 372

Product Development and the Total Product Offer 374

Developing a Total Product Offer 375

Spotlight on Small Business: Home Cooking in Half the Time 376

Product Lines and the Product Mix 377

Product Differentiation 378

Marketing Different Classes of Consumer Goods and Services 378

Marketing Industrial Goods and Services 379

Packaging Changes the Product 381

The Growing Importance of Packaging 382

Branding and Brand Equity 382

Brand Categories 383

Thinking Green: Couldn't You Make a Smaller Footprint? 384

Generating Brand Equity and Loyalty 384

Creating Brand Associations 385

Brand Management 385

The New-Product Development Process 385

Generating New-Product Ideas 386

Product Screening 386

Product Analysis 387

Product Development and Testing 387

Commercialization 387

The Product Life Cycle 388

Example of the Product Life Cycle 388
Using the Product Life Cycle 389

Competitive Pricing 390

Pricing Objectives 390

Cost-Based Pricing 391

Demand-Based Pricing 391

Reaching Beyond Our Borders: When Selling

Sweets Goes Sour 392

Competition-Based Pricing 392

Break-Even Analysis 392

Other Pricing Strategies 393

How Market Forces Affect Pricing 394

Nonprice Competition 394

Connect Interactive Applications 397

Chapter Fifteen

400 Distributing Products

Profile: Getting to Know Mark Stern of Doggypads.com 400 The Emergence of Marketing

The Emergence of Marketing Intermediaries 402

> Spotlight on Small Business: Recycling Is Part of the Whole Supply-Chain Process 403

Why Marketing Needs Intermediaries 403

How Intermediaries Create Exchange

Efficiencies 404

The Value versus the Cost of Intermediaries 405

The Utilities Created by Intermediaries 407

Form Utility 407

Time Utility 407

Place Utility 407

Possession Utility 408

Information Utility 408

Service Utility 408

Wholesale Intermediaries 409

Merchant Wholesalers 409

Agents and Brokers 410

Retail Intermediaries 411

Retall Distribution Strategy 4II

Nonstore Retailing 412

Electronic Retailing 412

Telemarketing 413

Vending Machines, Klosks, and Carts 413

Direct Selling 414

Multilevel Marketing 414

Direct Marketing 414

Building Cooperation in Channel Systems 415

Corporate Distribution Systems 415

Contractual Distribution Systems 415

Administered Distribution Systems 416

Supply Chains 416

Reaching Beyond Our Borders: How to Reach

the Little Guy 417

Logistics: Getting Goods to Consumers Efficiently 418

Trains Are Great for Large Shipments 419

Trucks Are Good for Small Shipments to Remote

Locations 420

Water Transportation Is Inexpensive but Slow 420

Thinking Green: Keeping Your Carbon

Footprint Low 421

Pipelines Are Fast and Efficient 42i

Air Transportation is Fast but Expensive 421

Intermodal Shipping 42I

The Storage Function 422

Tracking Goods 422

What All This Means to You 422

Connect Interactive Applications 425

Chapter Sixteen

428 Using Effective Promotions

Profile: Getting to Know Laurel Richie, Chief

Marketing Officer of the Girl Scouts 428

Promotion and the Promotion Mix 430

Advertising: Informing, Persuading, and

Reminding 431

Television Advertising 433

Thinking Green: Finding a Competitive Advantage

in Sustainability 434

Product Placement 434

Infomercials 435

Online Advertising 435

Global Advertising 436

Personal Selling: Providing Personal

Attention 437

Steps in the Selling Process 438

The Business-to-Consumer Sales Process 440

Public Relations: Building Relationships 441

Publicity: The Talking Arm of PR 441

Sales Promotion: Giving Buyers Incentives 442

Word of Mouth and Other Promotional

Tools 444

Viral Marketing 445

Blogging 445

Podcasting 445

E-Mail Promotions 445

Spotlight on Small Business: Fresh-Baked

Promotion 446

Mobile Media 446

Managing the Promotion Mix: Putting It All Together 446

Reaching Beyond Our Borders: Going Digital 447

Promotional Strategies 447

Connect Interactive Applications 450



Managing Financial Resources

Chapter Seventeen

454 Understanding Accounting and Financial Information

Profile: Getting to Know Sean Perich

of Bakery Barn 454

The Role of Accounting Information 456

What is Accounting? 456

Accounting Disciplines 457

Managerial Accounting 457

Financial Accounting 458

Legal Briefcase: Balance Sheet Sherlocks 460

Auditing 460

Tax Accounting 461

Government and Not-for-Profit Accounting 461

The Accounting Cycle 462

Accounting Technology 463

Understanding Key Financial Statements 463

The Fundamental Accounting Equation 464

The Balance Sheet 465

Classifying Assets 466

Liabilities and Owners' Equity Accounts 466

The Income Statement 468

Revenue 469

Cost of Goods Sold 469

Operating Expenses 469

Spotlight on Small Business: Accounting for What's

Coming and Going in a Small Business 470

Net Profit or Loss 470

The Statement of Cash Flows 471

The Need for Cash Flow Analysis 472

Making Ethical Decisions: On the Accounting

Hot Seat 473

Analyzing Financial Performance Using Ratios 473

Liquidity Ratios 473

Leverage (Debt) Ratios 474

Profitability (Performance) Ratios 475

Activity Ratios 475

Reaching Beyond Our Borders: The Accounting Shot

Heard around the World 477

Connect Interactive Applications 480

Chapter Eighteen

484 Financial Management

Profile: Getting to Know Tonya Antonucci, Commissioner of the Women's Professional

Soccer League 484

The Role of Finance and Financial

Managers 486

The Value of Understanding Finance 487

What is Financial Management? 488

Financial Planning 489

Forecasting Financial Needs 489

Working with the Budget Process 490

Establishing Financial Controls 49I

The Need for Operating Funds 492

Making Ethical Decisions: Sail Smoothly or Rock the Boat? 493

Managing Day-by-Day Needs of the Business 493

Spotlight on Small Business: Keeping the

Cash Flowing in Hard Times 494

Controlling Credit Operations 494

Acquiring Needed Inventory 495

Making Capital Expenditures 495

Alternative Sources of Funds 495

Obtaining Short-Term Financing 496

Trade Credit 496

Family and Friends 497

Commercial Banks 497

Different Forms of Short-Term Loans 498

Factoring Accounts Receivable 499

Legal Briefcase: Making Sure It's a Done Deal 500

Commercial Paper 500

Credit Cards 501

Obtaining Long-Term Financing 501

Reaching Beyond Our Borders: Sharing the Wealth? 502

Debt Financing 502

Equity Financing 503

Comparing Debt and Equity Financing 505
Financial Management in Trying Times 506

Connect Interactive Applications 509

Chapter Nineteen

512 Using Securities Markets for Financing and Investing Opportunities

Profile: Getting to Know Warren Buffett, CEO of Berkshire Hathaway 512

The Function of Securities Markets 514

The Role of Investment Bankers 515

Stock Exchanges 515

Securities Regulations and the Securities

and Exchange Commission 516

Making Ethical Decisions: Wagging the Dog 518
Foreign Stock Exchanges 518

Reaching Beyond Our Borders: The Wide.

Wide World of Investing 519

How Businesses Raise Capital by Selling Stock 519

Advantages and Disadvantages of Issuing Stock 520

Issuing Shares of Common Stock 520

Issuing Shares of Preferred Stock 520

How Businesses Raise Capital by issuing Bonds 521

Learning the Language of Bonds 521

Advantages and Disadvantages of Issuing Bonds 522

Different Classes of Bonds 523

Special Bond Features 523

How Investors Buy Securities 524

Investing through Online Brokers 524

Choosing the Right Investment Strategy 525

Reducing Risk by Diversifying Investments 525

Investing in Stocks 526

Stock Splits 527

Buying Stock on Margin 527

Understanding Stock Quotations 528

Investing in Bonds 529

Investing in High-Risk (Junk) Bonds 529

Understanding Bond Quotations 530

Investing in Mutual Funds and Exchange-Traded Funds 530

Thinking Green: Investing with Integrity 531

Understanding Mutual Fund Quotations 532

Understanding Stock Market Indicators 533

Riding the Market's Roller Coaster 534

Legal Briefcase: Gambling with Investors'

Security 536

Investing Challenges in the 2Ist-Century

Market 536

Connect Interactive Applications 540

Chapter Twenty

544 Money, Financial Institutions, and the Federal Reserve

> Profile: Getting to Know Ben S. Bernanke, Chairman of the Federal Reserve 544 Why Money Is Important 546

What Is Money? 547
What Is the Money Supply? 548
Managing Inflation and the Money
Supply 548

The Global Exchange of Money 549

Control of the Money Supply 549

Basics about the Federal Reserve 549

The Reserve Requirement 550

Open-Market Operations 55i

The Discount Rate 55i

The Federal Reserve's Check-Clearing Role 55I

The History of Banking and the Need for the Fed 553

Banking and the Great Depression 553

The U.S. Banking System 554

Commercial Banks 554 Making Ethical Decisions: What to Tell the Teller 555

Services Provided by Commercial Banks 555 Services to Borrowers 556

Savings and Loan Associations (S&Ls) 556

Credit Unions 556

Spotlight on Small Business: How the Banking Crisis Affected Small Businesses 557

Other Financial Institutions (Nonbanks) 557

The Current Banking Crisis and How the Government Protects Your Money 558

Protecting Your Funds 559
The Federal Deposit Insurance Corporation (FDIC) 559

Reaching Beyond Our Borders: The Banking Crisis Goes Global 560

The Savings Association Insurance Fund (SAIF) 560

The National Credit Union Administration (NCUA) 560

Using Technology to Make Banking More Efficient 561

Online Banking 562

International Banking and Banking Services 563

Leaders in International Banking 563
The World Bank and the International Monetary
Fund (IMF) 563

Connect Interactive Applications 567

Appendix

Working within the Legal Environment

Profile: Getting to Know David Boies, Corporate Attorney A The Case for Laws A-2

Statutory and Common Law A-3
Administrative Agencies A-3

Tort Law A-4

Product Liability A-4

Legally Protecting Ideas: Patents, Copyrights, and Trademarks A-6

Sales Law: The Uniform Commercial Code A-8

Warranties A-8

Negotiable Instruments A-8

Contract Law A-9

Breach of Contract A-IO

Promoting Fair and Competitive Business Practices A-IO

The History of Antitrust Legislation A-II
Laws to Protect Consumers A-I2
Tax Laws A-I3
Bankruptcy Laws A-I4
Deregulation versus Regulation A-I7

Bonus Chapters (available online only)

A Using Technology to Manage Information BA

B Managing Risk BB

C Managing Your Personal Finances BC

Chapter Notes N
Glossary G
Photo Credits PC-I
Name Index I
Organization Index I-8
Subject Index I-13