Instructor Manual

Kelly/Williams, BUSN 12e, ISBN 9780357122983; Chapter 1: Business Now: Change Is the Only Constant

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# Purpose and Perspective of the Chapter

Business today is complex, global, and faster moving than ever before. This chapter introduces the role of business in the economy and how we got to where we are. It also lists the core factors of production and the key dimensions of today’s business environment. Throughout the book, we will look more closely at the impact of change in every facet of business from management to marketing to money, the interrelatedness of these factors, and how business relates to you.

# Cengage Supplements

The following product-level supplements provide additional information that may help you in preparing your course. They are available in the Instructor Resource Center.

* Transition Guide (provides information about what’s new from edition to edition)
* Educator’s Guide (describes assets in the platform with a detailed breakdown of activities by chapter with seat time)
* PowerPoint (provides text-based lectures and presentations)
* Test Bank (contains assessment questions and problems)
* Guide to Teaching Online (provides information about the key assets within the product and how to implement/facilitate use of the assets in synchronous and asynchronous teaching environments)
* Accelerated Course Syllabus (provides guidance on the recommended delivery of course materials given a 5-week, 8-week, 12-week, and 16-week course)
* MindTap User Guide (provides information on how to navigate and use MindTap)

# Chapter Objectives

The following objectives are addressed in this chapter:

1-1 Discuss the role of business in the economy

1-2 Explain the evolution of modern business

1-3 Discuss the role of nonprofit organizations in the economy

1-4 Outline the core factors of production and how they affect the economy

1-5 Describe today’s business environment and each key dimension

1-6 Explain how current business trends might affect your career choices

# Complete List of Chapter Activities and Assessments

For additional guidance refer to the Guide to Teaching Online.

|  |  |  |  |
| --- | --- | --- | --- |
| Chapter Objective | PPT slide | Activity/Assessment | Duration |
|  | 2 | Icebreaker | 5–10 min. |
| 1-1 | 8 | Discussion Activity | 10 min. |
| 1-2 | 13 | Group Activity 1 | 10 min. |
| 1-3 | 17 | Written Reflection Activity | 15–20 min. |
| 1-4 | 20 | Polling Activity | 5 min. |
| 1-5 | 29 | Group Activity 2 | 15–20 min. |
| 1-6 | 33 | Breakout Activity | 15–20 min. |
| 1-1–1-6 | 35 | Self-Assessment | 10–15 min. |
| 1-1–1-6 | N/A | Why Does Change Matter to Me? (Chapter 01 Business Now: Change Is the Only Constant) | 5 min. |
| 1-1, 1-2 | N/A | Learn It 1-1 and 1-2: Business Now: Moving at Breakneck Speed and The History of Business: Putting It All in Context | 10 min. |
| 1-3, 1-4 | N/A | Learn It 1-3 and 1-4: Nonprofits and the Economy: The Business of Doing Good and Factors of Production: The Basic Building Blocks | 5 min. |
| 1-5, 1-6 | N/A | Learn It 1-5 and 1-6: The Business Environment: The Context for Success and Business and You: Making It Personal | 10 min. |
| 1-1–1-6 | N/A | Assignment: Chapter 01 Business Now: Change Is the Only Constant | 25 min. |
| 1-1–1-6 | N/A | Case Activity: Chapter 01 Business Now: Change Is the Only Constant | 15 min. |

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# Key Terms

**Business environment**:The setting in which business operates. The five key components are economic environment, competitive environment, technological environment, social environment, and global environment.

**Business technology**:Any tools—especially computers, telecommunications, and other digital products—that businesses can use to become more efficient and effective.

**Business**:Any organization or activity that provides goods and services in an effort to earn a profit.

**Demographics**:The measurable characteristics of a population. Demographic factors include population size and density, as well as specific traits such as age, gender, and race.

**E-commerce**:Business transactions conducted online, typically via the internet.

**Entrepreneurs**:People who risk their time, money, and other resources to start and manage a business.

**Factors of production**:Four fundamental elements—natural resources, capital, human resources, and entrepreneurship—that businesses need to achieve their objectives.

**Free trade**:An international economic and political movement designed to help goods and services flow more freely across international boundaries.

**General Agreement on Tariffs and Trade (GATT)**:An international trade agreement that has taken bold steps to lower tariffs and promote free trade worldwide.

**Internet**:The service that allows computer users to easily access and share information in the form of text, graphics, video, apps, and animation.

**Loss**:When a business incurs expenses that are greater than its revenue.

**Nonprofits**:Businesslike establishments that employ people and produce goods and services with the fundamental goal of contributing to the community rather than generating financial gain.

**Profit**:The money that a business earns in sales (or revenue), minus expenses, such as the cost of goods and the cost of salaries. Revenue - Expenses = Profit (or Loss).

**Quality of life**:The overall sense of well-being experienced by either an individual or a group.

**Speed-to-market**:The rate at which a new product moves from conception to commercialization.

**Standard of living**:The quality and quantity of goods and services available to a population.

**Value**:The relationship between the price of a good or a service and the benefits that it offers to customers.

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# What's New in This Chapter

The following elements are improvements in this chapter from the previous edition:

* Updated learning objectives and content
* New introduction highlighting changes in the business landscape in regard to COVID-19 and other major events in 2020
* New feature boxes, including the following:
  + "Not Every Dumb Move Is an Utter Disaster"
  + "From Basement Dwellers to Elite Esports Athletes"
  + "Spacing Out”
* New content for Exhibit 1.2 "Global Brand Champions" and Exhibit 1.3 "U.S. Population Estimates"

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# Chapter Outline

*In the outline below, each element includes references (in parentheses) to related content. “LO CH#-#” refers to the chapter objective; “PPT Slide #” refers to the slide number in the PowerPoint deck for this chapter (provided in the PowerPoints section of the Instructor Resource Center); and, as applicable for each discipline, accreditation or certification standards.* *Introduce the chapter. Review learning objectives for Chapter 1. (PPT Slides 1–3).*

1. 1-1 Business Now: Moving at Breakneck Speed (LO 1-1, PPT Slides 4–7)
   1. Business necessarily needs to be responsive to many changes
      1. Seek opportunities and avoid pitfalls
      2. Evaluate risks
      3. Understand their market
      4. Adhere to ethical practices
      5. Meet their goal of generating profits while delivering value to customers
         1. **Value:** The relationship between the price of a good or a service and the benefits that it offers to customers
   2. Business Basics: Some Key Definitions
   3. **Business**: Any organization or activity that provides goods and services in an effort to earn a profit
      1. **Profit**: The money that a business earns in sales (or revenue), minus expenses, such as the cost of goods and the cost of salaries. Revenue - Expenses = Profit (or Loss)
      2. **Loss**: When a business incurs expenses that are greater than its revenue
   4. **Entrepreneurs**: People who risk their time, money, and other resources to start and manage a business
      1. Entrepreneurs produce a ripple effect that not only enriches them, but everyone around them as well
   5. Successful businesses have the capacity of raising people’s standard of living, which, in turn, adds to people’s quality of life
      1. **Standard of living:** The quality and quantity of goods and services available to a population
      2. **Quality of life:** The overall sense of well-being experienced by either an individual or a group
   6. Business also contributes to society through innovation
      1. Business also helps raise the standard of living through taxes, which the government spends on a variety of projects
      2. Socially responsible firms contribute even more by actively advocating for the well-being of the society that feeds their success
   7. **Discussion Activity (optional): 10 minutes total**.(PPT Slides 8–9)

What factors contribute to the rapid pace of change in business? Is the pace likely to accelerate or decrease through the next decade? Why?

* + - Do you think the decisions of businesspeople are more influential than the decisions of politicians?
    - If you had to pick one factor that has caused the most change in the global economy in recent years, what would you choose?
    - Do you see the speed of change in the business world (global economy) as more positive or more negative for the global population?

1. 1-2 The History of Business: Putting It All in Context (LO 1-2, PPT Slides 10–12)
   1. Business historians divide the history of American businesses into five distinct eras
      1. These eras represent dramatics changes through the past 200–300 years
      2. These eras also overlap during periods of transition
   2. The Industrial Revolution
      1. From the mid-1700s to the mid-1800s, technological advances fueled rapid industrialization in America
      2. Changed lifestyles in huge ways, replacing skilled artisan workshops with large factories and more rural life with greater urbanization
   3. The Entrepreneurship Era
      1. In the second half of the 1800s, large-scale entrepreneurs emerged and built business empires
      2. Jobs became even more specialized, increasing productivity and lowering costs and prices
      3. Saw the beginnings of great business empires, some of which took advantage of workers and consumers, causing the government to step in with greater regulation
   4. The Production Era
      1. In the early 1900s, businesses refined production process and created greater efficiencies
      2. The Great Depression and World War II occurred during the production era
      3. Caused a shift in the way businesses took notice of customers
   5. The Marketing Era
      1. After WWII, businesses began to develop brands to help consumers understand the differences among different products
      2. result of greater focus on consumers and the “power” they had over producers
   6. The Relationship Era
      1. Today, firms aim to build long-term relationships with customers, a natural step beyond marketing
      2. “Happy customers are your biggest advocates and can become your most successful sales team.” (Lisa Masiello, a technology entrepreneur)
   7. **Group Activity I (optional): 10 minutes total**. (PPT Slides 13–14)

Form groups of 3-5 people. Use the Internet to research an American company that has been in business for more than 100 years. As a group, focus on obtaining and analyzing the following information to share with the

rest of the class:

1. In what way has this company changed through its lifespan?
2. In which of the five eras was this company most influential?
3. How did these historical shifts affect the company?
4. Would you consider this business a leader or a follower as it moved into new eras?

*Answer: Answers will vary depending on the companies chosen, though students should demonstrate a clear understanding of the factors that separated the five business eras. Students may find that their companies bucked the trends of one or more eras—encourage them to explore why the companies survived despite this. If students have difficulty thinking of 100+-year-old companies, point them to USA Today’s list of centurions.*

* + - Do you think the decisions of businesspeople are more influential than the decisions of politicians?
    - If you had to pick one factor that has caused the most change in the global economy in recent years, what would you choose?
    - Do you see the speed of change in the business world (global economy) as more positive or more negative for the global population?

1. 1-3 Nonprofits and the Economy: The Business of Doing Good (LO 1-3, PPT Slides 15–16)
   1. **Nonprofits**: Businesslike establishments that employ people and produce goods and services with the fundamental goal of contributing to the community rather than generating financial gain
      1. Often focus on health, human services, art, religion, and culture
      2. Nonprofit organizations work with businesses to improve society
      3. They employ people, generate revenue, produce goods and services, and play a part in bringing economic stability and growth
   2. **Written Reflection Activity (optional): 15–20 minutes total**. (PPT Slide 17)

The Andy Roddick Foundation, the Artists for World Peace, the Happy Hearts Fund, and the Jeff Gordon Children’s Foundation are some of the nonprofits that work for children. Choose a nonprofit with which you are familiar or have experience with, and write 1-2 paragraphs about what they contribute to the overall economy. Consider the following questions in your response.

1. What does your chosen organization do?
2. How does your nonprofit organization compare to businesses?
3. What benefits or drawbacks do you see with the role your nonprofit plays in the economy?
4. Would you want to work for this nonprofit organization during your career?

*Answer: Answers will vary. These reflections should point out that nonprofit organizations differ from businesses in that their primary goals do not include financial gain. However, nonprofits are clearly businesslike establishments that contribute to the economy in a number of significant ways—most employ people, many produce goods and services and take in revenue, and many act as economic magnets for additional investment. Many nonprofits interact with businesses by developing partnerships that benefit both parties. Kraft Foods, for instance, contributes to America’s Second Harvest, a nonprofit organization that aims to eliminate hunger in America. Kraft benefits by raising their public profile in alignment with their corporate vision: “Helping People Around the World Eat and Live Better.” America’s Second Harvest benefits, of course, from the financial support.*

1. 1-4 Factors of Production: The Basic Building Blocks (LO 1-4, PPT Slides 18–19)
   1. **Factors of production:** Four fundamental elements—natural resources, capital, human resources, and entrepreneurship—that businesses need to achieve their objectives
   2. Natural resources: inputs that offer value in their natural state
      1. Includes land, fresh water, wind, mineral deposits, etc.
      2. The value of all natural resources tends to rise with high demand, low supply, or both
   3. Capital: synthetic resources that a business needs to produce goods or services
      1. Includes machines, tools, buildings, information, technology, etc.
      2. Capital does not include money, but businesses use money to acquire, maintain, and upgrade their capital
   4. Human resources
      1. Includes physical, intellectual, and creative contributions of everyone who works within an economy
      2. Worker knowledge is especially important to workforce effectiveness
   5. Entrepreneurship
      1. Creates opportunities by harnessing other factors of production
      2. The factor among these basic building blocks that contributes most to the outcomes of the process
   6. **Polling Activity (optional): 5 minutes total**. (PPT Slide 20)

What is the most appealing aspect about pursuing entrepreneurial activities in your future?

1. The creativity involved in looking for new opportunities
2. The chance to make lots of money
3. The challenge of taking risks
4. The freedom of “being your own boss”

*Answer: Answers will vary. Perhaps ask students to share why they selected a particular option, reflecting on what it is about entrepreneurship that acts as a booster to the other factors of production.*

1. 1-5 The Business Environment: The Context for Success (LO 1-5, PPT Slides 21–28)
   1. **Exhibit 1.1 The Business Environment**

(All the factors of the economic environment influence individual businesses, as illustrated in Exhibit 1.1. Being aware of each factor and its effects is important.)

* + 1. Each dimension of the business environment affects both individual businesses and the economy in general
    2. Businesses don’t operate as closed systems; outside factors play a vital role in determining whether each individual business succeeds or fails
  1. The Economic Environment
     1. Governments take active steps to reduce the risks of business, to stabilize the economy, and to induce growth
     2. Affected by corruption and ethical lapses, such as shady accounting
     3. A key element of the U.S. economic environment is legislation that supports enforceable contracts
  2. The Competitive Environment
     1. Companies face intensifying global competition
     2. Companies develop long-term, mutually beneficial relationships with customers
     3. Creating value in the market
        1. A product has value when its benefits to the customer are equal to or greater than the price that the customer pays
        2. Apple is an example of a leading-edge company
     4. **Exhibit 1.2 Global Brand Champions**

(Exhibit 1.2 contains highly recognizable names and indicates the important role brand plays in successful businesses.)

* + 1. Leading edge vs. bleeding edge
       1. Speed-to-market provides competitive advantage
       2. **Speed-to-market**: The rate at which a new product moves from conception to commercialization
       3. Bleeding-edge: launching products too far ahead of the market and, as a result, experiencing failure
  1. The Workforce Advantage
     1. Finding and holding the best talent contributes to a firm’s competitive edge
     2. Replacing the skills and experience baby boom workers bring to their jobs may be tough: baby boomers include about 77 million people, while the generation that follows includes only 46 million
     3. Investing in worker satisfaction yields tangible, bottom-line results
     4. Excellent product and superb top management also play major role in employee satisfaction
  2. The Technological Environment
     1. The impact of digital technology on business continues to be utterly transformative
     2. **Business technology:** Any tools—especially computers, telecommunications, and other digital products—that businesses can use to become more efficient and effective
        1. New industries emerge, while others disappear
        2. Examples: computerized billing, digital animation, and robotic manufacturing
     3. **e-commerce:** Business transactions conducted online, typically via the internet
        1. Growth rates in e-commerce exploded during the COVID-19 pandemic
  3. The Social Environment
     1. Embodies the values, attitudes, customs, and beliefs shared by groups of people
     2. **Demographics**: The measurable characteristics of a population. Demographic factors include population size and density, as well as specific traits such as age, gender, and race
     3. Social trends
        1. The United States has become more ethnically diverse in recent years
        2. The growing ethnic populations will serve as attractive markets for different firms
        3. Growing diversity also affects the workforce
           1. **Exhibit 1.3 U.S. Population Estimates**
           2. (Diversity in the U.S. population continues to shift, as noted in Exhibit 1.3, and is a demographic trend that will affect business opportunities.)
        4. As life spans increase and birthrates decrease, the American population is rapidly aging. This trend will not only provide opportunities but also give rise to different threats for businesses
        5. Workers of all ages are expecting flexibility from their employers in terms of salary, job responsibility, etc.
        6. To meet these expectations, firms are trying to form new partnerships with their employees
  4. The Global Environment
     1. Technology and free trade have blurred lines between individual economies in the world
        1. Migration of jobs relates closely to the global movement toward free trade
        2. The free-trade movement has lowered prices and increased quality across virtually every product category as competition becomes truly global
        3. **Free trade:** An international economic and political movement designed to help goods and services flow more freely across international boundaries
        4. **General Agreement on Tariffs and Trade (GATT):** An international trade agreement that has taken bold steps to lower tariffs and promote free trade worldwide
     2. A multipronged threat: War, terrorism, disease, and natural disasters have taken an economic toll globally
        1. The human toll from epidemics, hurricanes/typhoons and other climate-related extremes, and earthquakes and other geological events across the globe has been horrific
        2. With rising nationalism and growing religious and ethnic tensions around the world, the global economy may continue to suffer collateral damage
  5. **Group Activity 2 (optional): 15–20 minutes total**. (PPT Slides 29–30)

External environmental change is constant and involves influences over which managers have little control. Because change in one area can cause change in another, identifying causes of change in a business environment can be tricky.

Form groups of 3–5 people. Each group identifies an industry its members are familiar with. Within your group, assess the most recent causes of change for the listed dimensions of the external business environment for your industry, giving an example for each.

1. Economic environment
2. Social environment
3. Technological environment
4. Competitive environment
5. Global environment

*Answer: Answers will vary. To encourage varied group discussion at the end of the exercise, each group should choose a different industry, such as food service, automotive, airline, information technology, and hip-hop music.*

*Possible causes of external environmental change: improvements in production processes, fluctuating levels of demand, sudden changes in interest rates, shifts in laws and regulations impacting businesses, changes in social trends and lifestyles, international influences.*

1. 1-6 The Business Environment: The Context for Success (LO 1-6, PPT Slides 31–32)
   1. Following one's passion boosts the chances of both financial and personal success
      1. Financial success is influenced by the economy and by one’s business skills
      2. The right career choice should be made on the basis of what one loves to do
   2. **Breakout Activity (optional): 15–20 minutes total**. (PPT Slides 33–34)

Form groups of 3-5 people. Each member of the group writes on a piece of paper their name and three things they love to do. Then group members pass their paper to another person who chooses one item on the list and writes down five possible business careers related to that item.

Return papers to original students and, after allowing individuals to read their paper, take a few moments for brief group discussion.

*Answer: Answers will vary. Introductory business students come from a wide range of backgrounds, some with focused goals and broad experience, and others with little interest and even less knowledge. This exercise is designed to help them understand how business can be personally relevant from a career standpoint.*

*After small groups have formed, direct students to write their names on their papers and jot down three things that they love to do. You may want to warn them upfront to keep it clean, but also encourage them to be honest (listening to music, for example, is perfectly fine). Ask them to pass their papers to another student in their group. This is the creative part: Ask students to choose one of the passions on the list they received, and to write five business careers—both for-profit ventures and not-for-profit ideas—that relate to that area of interest. (For example, hanging out with friends and going to parties could translate into a career as an event planner; taking care of your dogs and cats could mean a career with a nonprofit veterinary association or humane society.)*

1. Self-Assessment (PPT Slide 35)
   1. Can you describe what role business plays in an economy?
   2. What would you say are the key dimensions of today’s business environment?
   3. What knowledge do you hope to gain through this class, and how can you actively make sure you are reaching your goals?

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# Discussion Questions

You can assign these questions several ways: in a discussion forum in your LMS; as whole-class discussions in person; or as a partner or group activity in class.

1. ***Rapid Change in Business*** (LO 1-1, PPT Slide 8). Duration 5–10 minutes.

* What factors contribute to the rapid pace of change in business? Is the pace likely to accelerate or decrease through the next decade? Why?
  + *Answer: Answers will vary. A number of factors contribute to the rapid pace of change in business, including cutthroat global competition, rapidly changing technology with plunging prices, better and cheaper global communication, and depleted resources. As these trends intensify, the pace of change will likely gain even more speed in the decade to come.*

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# Additional Activities and Assignments

1. **Assessing the Business Environment** (LO 1-5): Duration 20 minutes.

The business environment is constantly changing. Many variables from the business environment impact businesses and industries differently, and their impact changes through time. SWOT analysis refers to the process of analyzing the internal strengths and weaknesses and external opportunities and threats that may either favorably or unfavorably impact business objectives. Strategic business decisions can then be made based on the expected collective impact of the SWOTs.

* Divide the class into four or five groups equal in size. Ask each group to think of a separate existing business with which everyone in the group is familiar, along with one or two strategic objectives for that business for which a SWOT analysis can be performed. To help them think of strategic objectives, it might be fun for the students to imagine hypothetical changes in their selected business’s structure or potential shifts in product or service offerings. Each group should review the following definitions of the SWOT elements, then identify the internal strengths and weakness and external opportunities and threats facing their selected business. Based on the list of SWOTs compiled by the group, each group should assess the likelihood of achieving the business objective(s) based on the SWOTs.

Elements of SWOT Analysis

* + Strengths—internal characteristics of the business that provide an advantage over competitors in the industry
  + Weaknesses—internal characteristics of the business that place the firm at a disadvantage over competitors
  + Opportunities—external chances in the environment to increase sales or profits
  + Threats—external environmental variables that hinder the business’s operations, market position, or some other aspect of the business
* *Discussion Possibilities:* For the business you selected, what current strengths are most critical in fueling achievement of your identified objective? What are some of the weaknesses within your selected business? Who are the competitors of the business you selected? Do your business’s competitors face similar opportunities and threats?
  + *Answer: Answers will vary. The main emphasis should be on encouraging students to assess the business environment by analyzing the internal strengths and weaknesses, as well as the external opportunities and threats, facing businesses.*

1. **Case Study: A Fracking Fracas: How Much Innovation Is Too Much?** (LO 1-1): Duration 20–30 minutes.

As you learned in this chapter, business moves at breakneck speeds. Industrial and technological change is inevitable, and one of the keys to a successful business is a willingness to lean forward and embrace this change. Still, before a company can initiate a change, it must weigh the ethical, financial, and environmental impact of its actions. Neglect of one or more of these factors may lead some to wonder if the pursuit of innovation is always worth its potential consequences. To wit, one of the most controversial business changes in recent years is the oil and gas industry’s move toward hydraulic fracturing as an alternative to traditional well mining.

More commonly known as fracking, hydraulic fracturing is a process whereby a pressurized mix of liquid and sand is pumped down a well into sheets of rock located deep below the earth’s surface. As the pressurized mix expands, the liquid breaks the rock apart, creating fissures. The sand mixed into the liquid keeps the fissures from closing in on themselves, creating pathways through which natural gas and other fossil fuels can be extracted. Fracking has been used to stimulate traditional oil well production rates since the 1940s, but the process has only recently become technologically and financially viable as a large-scale, standalone venture.

In the United States and Canada, fracking is most commonly used to extract natural gas from sheets of shale rock. Because so many oil and gas companies have turned toward fracking, U.S. natural gas reserves increased by more than 75 percent between 2004 and 2011.

Because it provides access to rare fossil fuels that could not otherwise be collected, fracking is flourishing in many parts of the United States and Canada. However, several unsettling findings have brought the practice’s long-term environmental impact into question, and more than a dozen countries (including France, Germany, Spain, and England) and nearly 100 city and state governments in the United States have imposed moratoria or outright banned the practice. Change and innovation are inevitable in business. Without question, fracking represents a change (and an extraordinary innovation) in America’s oil and gas industry. As business moves forward, however, business leaders must consider whether change is always worth the risks it carries.

On one hand, fracking poses several benefits to America’s economy and business environment:

* Without question, fracking is a boon to many American businesses. It has drastically reduced the cost of natural gas across the country, benefiting energy-intensive industries in an otherwise perilous economic climate. Fracking provides the United States a distinct competitive advantage, reducing our dependence on foreign fossil fuels and positioning America as a major player in the global gas market.
* Because it reduces our dependence on coal, fracking may actually improve the environment. According to the International Energy Agency, replacing America’s coal-burning power plants with natural gas-based plants could reduce emissions of greenhouse gases created through electric generation by as much as 45 percent. “If we combine that step with the other steps that make sense in their effects on both the economy and the environment . . . we will have a reasonable chance of meeting our climate goals,” says George Washington University law professor Richard J Pierce Jr.

On the other hand, opponents of fracking point to several compelling scientific studies suggesting that the practice is unsafe:

* One Duke University study found that water supplies located within a half-mile of fracking wells can become contaminated with unsafe levels of methane: “The gas, which is usually located thousands of feet below the water table, appears to be entering the water wells either through cracks in the bedrock or, more likely, the casing in natural gas wells.” The connection was first discovered when residents living near fracking sites discovered that their running tap water was flammable and could be ignited with a match or lighter.
* A 2013 study published in the scientific journal Geologyfound that the injection of pressurized fracking fluid can cause tectonic plates to shift, triggering earthquakes. According to the study, the largest earthquake in Oklahoma’s history (measuring 5.7 on the Richter scale and felt across 17 states) was caused by fracking. Moreover, between 2009 and 2013, the rate of earthquakes recorded in the American Midwest was 11 times higher than the average rate recorded through the previous 30 years.
* *Discussion Possibilities:* Should oil and gas companies be allowed to engage in fracking, or should the United States ban the practice? Should certain regulations be put in place? Defend your answer using examples from the text.
  + *Answer: There is no single correct answer to this question. Those who support fracking should point out that its economic benefits outweigh its potential hazards, and that banning the practice could stifle innovation and kill jobs. These students may temper their position by suggesting that certain regulations should be put in place—for example, that fracking wells not be drilled within a half-mile of residential areas or fault lines. Students who propose that fracking should be banned (or suspended until further research can be done) should cite fracking’s environmental impact, noting especially that there may yet be unknown repercussions of fracking. These students may support their answers by suggesting that the United States invest in alternative energy sources and innovations.*

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# Additional Resources

## Cengage Video Resources

* MindTap Videos:
  + History of Business in Learn It 1-1 and 1-2: Business Now: Moving at Breakneck Speed and The History of Business: Putting It All in Context
  + Boxed in Case Activity: Chapter 01 Business Now: Change Is the Only Constant

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# Appendix

## Generic Rubrics

Providing students with rubrics helps them understand expectations and components of assignments. Rubrics help students become more aware of their learning process and progress, and they improve students’ work through timely and detailed feedback.

Customize these rubric templates as you wish. The writing rubric indicates 40 points and the discussion rubric indicates 30 points.

## Standard Writing Rubric

|  |  |  |  |
| --- | --- | --- | --- |
| Criteria | Meets Requirements | Needs Improvement | Incomplete |
| Content | The assignment clearly and comprehensively addresses all questions in the assignment.  15 points | The assignment partially addresses some or all questions in the assignment.  8 points | The assignment does not address the questions in the assignment.  0 points |
| Organization and Clarity | The assignment presents ideas in a clear manner and with strong organizational structure. The assignment includes an appropriate introduction, content, and conclusion. Coverage of facts, arguments, and conclusions are logically related and consistent.  10 points | The assignment presents ideas in a mostly clear manner and with a mostly strong organizational structure. The assignment includes an appropriate introduction, content, and conclusion. Coverage of facts, arguments, and conclusions are mostly logically related and consistent.  7 points | The assignment does not present ideas in a clear manner and with strong organizational structure. The assignment includes an introduction, content, and conclusion, but coverage of facts, arguments, and conclusions are not logically related and consistent.  0 points |
| Research | The assignment is based upon appropriate and adequate academic literature, including peer reviewed journals and other scholarly work.  5 points | The assignment is based upon adequate academic literature but does not include peer reviewed journals and other scholarly work.  3 points | The assignment is not based upon appropriate and adequate academic literature and does not include peer reviewed journals and other scholarly work.  0 points |
| References/Works Cited | The assignment follows the required citation guidelines.  5 points | The assignment follows some of the required citation guidelines.  3 points | The assignment does not follow the required citation guidelines.  0 points |
| Grammar and Spelling | The assignment has two or fewer grammatical and spelling errors.  5 points | The assignment has three to five grammatical and spelling errors.  3 points | The assignment is incomplete or unintelligible.  0 points |

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## Standard Discussion Rubric

|  |  |  |  |
| --- | --- | --- | --- |
| Criteria | Meets Requirements | Needs Improvement | Incomplete |
| Participation | Submits or participates in discussion by the posted deadlines. Follows all assignment instructions for initial post and responses.  5 points | Does not participate or submit discussion by the posted deadlines. Does not follow instructions for initial post and responses.  3 points | Does not participate in discussion.  0 points |
| Contribution Quality | Comments stay on task. Comments add value to discussion topic. Comments motivate other students to respond.  20 points | Comments may not stay on task. Comments may not add value to discussion topic. Comments may not motivate other students to respond.  10 points | Does not participate in discussion.  0 points |
| Etiquette | Maintains appropriate language. Offers criticism in a constructive manner. Provides both positive and negative feedback.  5 points | Does not always maintain appropriate language. Offers criticism in an offensive manner. Provides only negative feedback.  3 points | Does not participate in discussion.  0 points |
| Grammar and Spelling | The assignment has two or fewer grammatical and spelling errors.  5 points | The assignment has three to five grammatical and spelling errors.  3 points | The assignment is incomplete or unintelligible.  0 points |

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