MID
~~Final~~ Assessment

Summer Semester - 2023

BBA Program

Course title : International Business

Course code : IBS-433

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Answer to the question no: 01

International Business: The term international business refers to any business that operates across international borders. At its most basic, it includes the sale of goods and services between countries Yet, other forms of international business do exist.

The needs of international Business are describing below:

1) Global Opportunities: Global business provides global opportunities to business organizations. When companies are in domestic business they are bound to operate within the prescribed territory. But when they enter into a global business the area is high so is the market.

2) Increased Revenue: In international business, one things clear companies involve in such businesses for earning more profits And the international market is a place of uncountable costomers, simply the more the customers, the more the sales are, hence the more revenue for the company.

3) Market Expansion: International business opens the border for the companies to go internationally. Companies get a change to explore and expand their Stake in the new market and place. And, When the company meets a new market's expectations the market shares of the company increase.

4) Quality product: The global business flooded a pardicular market with a variety of substitute products. products. When there are too many products people want to have quality products at low prices otherwise they easily shift to the nest product.

5) Global Image: To become a global image and

brand, most companies reason to enter into international commerce. It helps them to become a global brand but depends upon them how they have served the foreign nations. Microsoft, Coco-Cola, Sony, Apple, etc. are examples of the global image.

6) Economies of Scale: The global business also helps companies to achieve economies of scale. Due to global business companies requir to produce products at a very large scale since customers scale since customers also are of very large size.

7) Earning Foreign Money: It is very fact that companies involved in global business mainly participate in exporting goods or services they produce. Exporting is the basic means to earn foreign currency.

8) Cost Advantage: One of the most popular benefits of international business is that it

helps companies to get a cost advantage. Due to international business, most foreign nations maintain their production in a nation where production and labor cost is low, its best example is China and India.

9) Networking: By doing international business companies also build networks with different foreign companies. Building positive networks with them helps companies to maintain healthy international relations.

10) Economic Development: A nation's economy is called strong when it exports more than imports or produce enough itself. In this business, most companies export their products which helps to earn foreign currencie increases profits, pays taxes, increases employme opportunities, people's standards improve, and ultimately they all add to the conomy of the nation.

Answer to the question no: 04

(a) Business: Business refers to an enterprising entity or organization that carries out professional activities. They can be commercial, industrial, or others. For-profit business entities do business to earn a profit, while non-profit ones do it for a charitable mission.

(b) Exporting: Exports can be cars, clothes, pencils, heavy machinery, software, or banking services. The limits to exports usually come in the form of government regulation. For example, if the good is needed domestically, the government may restrict exports of the good to regulate domestic supply and prices.

(c) Importing: An import is a product or service produced abroad and purchased in your home country. Imported goods or services are attractive when domestic industries cannot produce similar goods and services cheaply or efficiently.

(d) Franchising: Franchising is a business marketing strategy to cover maximum market share. Franchising is a business relationship between two entities where in one party allows another to sell its products and intellectual property. For example, several fast food chains like Dominos and Mc Donalds operate in India through franchising.

(e) Foreign direct investment: Foreign direct investments are commonly categorized as horizontal, vertical, or conglomerate. With a horizontal FDI, a company establishes the same type of business operation in a foreign country as it operates in its home country. A U.S.-based cellphone provider buying a chain of phone stores in China is an example.