

Noorul Islam College of Engineering

BA 1701-International business management

TWO MARK QUESTIONS

1) Define international trade

International business consist of transactions that are devised and carried out across national borders to satisfy the objectives of individuals and organization.

2) What is trade flow?

Trade flow refers to the flow of goods and services across the globe through commercial transaction.

3) What is investment flow?

Flow of capital across the globe.

4) What is free trade?

There is no restriction in export and import of goods and services.

5) What is trade?

Trade refers to the flow of goods and services.

6) What is internal trade?

Trade within the nation is known as internal trade.

7) Write down the various names of internal trade?

Domestic trade, regional trade.

8) What is international trade?

Trade with outside the nation.

9) Write down various names of international trade?

Foreign trade, interregional trade.

10) What do you mean by absolute cost advantage theory?

This theory suggest that a country produce and export those goods and services for which it is more efficient than countries.

11) What do you mean by comparative cost theory?

This theory states that a country should produce and export those goods and services for which other country are relatively more efficient than it.

12) What do you mean by Heckscher-Ohlin theory?

This theory presents that international trade occurs because of the differences in the supply of production factors.

13) Write down some important non-ownership forms?

Merchandise export, import and counter trade, service export and import licensing and franchising, contract manufacturing, turnkey operations and management control.

14) What is licensing?

Licensing means a firm in one country permits a firm in another country to use its intellectual property.

15) What is counter trade?

Counter trade is used as an entry strategy.

16) What is contract manufacturing?

Under contract manufacturing a company doing international marketing contract with firms in foreign countries to manufacture or assemble the products while retaining the responsibility of marketing the product.

17) What are turnkey contracts?

Turnkey operation is an agreement by the seller to supply a buyer with a facility fully equipped and ready to be operated by the buyer's personnel, who will be trained by the seller.

18) What is strategic alliance?

This strategy seeks to enhance the long term competitive advantage of the firm by forming alliance with its competitors existing or potential in critical areas instead of competing with each other.

19) What do you mean by Export Credit Guarantee services?

This guarantee scheme was established by the Govt. of India in 1957 to promote the export.

20) What is exchange rate?

The exchange rate is the rate at which the value of one currency is expressed in terms of the value of another currency.

21) What are the various documents needed for export by ships?

Shipping Bill, Commercial invoice, Bill of lading.

22) What are the various documents needed for export by post?

Customs declaration form, customs invoice, certified invoice, black list certificate.

23) Write down the currency codes of Japan and Canada.

Japan = JPY
Canada = CAD

- 24) What is merchant deals market?
Dealings between authorized dealers and others.
- 25) What is wholesale market?
large scale foreign exchange dealings are done in this market.
- 26) What is retail market?
Small foreign exchange dealings are done in this market.
- 27) What is spot market?
Spot market is market for delivery normally two days after the deal.
- 28) What is Forward market?
Forward market is a market for future delivery.
- 29) What is arbitrage market?
Buying in one market and selling the same in another market to earn profit.
- 30) What is swaps market?
Swaps deal involve temporary exchange, with agreement to reserve back to original situation.
- 31) What is direct rate?
Unit of home currency per unit of foreign currency.
- 32) What is indirect rate?
Units of foreign Currency per unit of home currency.
- 33) What is Bid rate?
The buying rate is called bid rate.
- 34) What are Ask rates?
The selling rate is called Ask rate.
- 35) What is spot rate?
Spot market in foreign exchange refers to buying and selling foreign exchange.
- 36) What is Forward exchange rate?
Forward market in foreign exchange refers to transaction which are performed at a future period.
- 37) What do you mean by Single exchange rate?
Single rate refers to adopting one rate between countries.

38) Flexible exchange rate - Explain

Exchange rate is fixed over a short period but change in the long period due to change in demand and supply.

39) What does Mint Parity Theory mean?

Exchange rate is determined by the gold contents of the two currencies.

40) What does purchasing power parity theory mean?

External value of a currency is determined on the basis of its internal value.

41) Define globalization

The growing economic inter dependence of the countries worldwide through increasing volume and variety of cross border transaction.

42) What is external environment?

It refers to the internal and external Factors.

43) What is inflation?

A rise in price is known as inflation.

44) What is fiscal policy?

Fiscal policy refers to the overall effect of the budget outcomes on economic activity.

45) What is pluralism?

Pluralism involves co-existence of different ideas, aims and means.

46) What is totalitarianism?

Only one ideas aims and means.

47) What do you mean by Democracy?

Mix of pluralism and totalitarianism.

48) What is capitalism?

It is otherwise called as free enterprise economy.

49) What is communism?

Production, distribution, Exchange and consumption all are state owned.

50) What is mixed economy?

Public and Private enterprise exist.

51) Define- Culture

The complex whole which includes knowledge, belief, art, morals, law, custom and any other capabilities and habits acquired by man as a member of society.

52) Define organization culture?

Organization culture is the sum total of beliefs, styles, values and symbols.

53) What do you mean by Work culture?

It refers to the kind of commitment to work.

54) What is leadership culture?

It refers to the kind of leader their vision and mission.

55) What is structural culture?

It designs nature of flow of authority and responsibility.

56) What is relationship culture?

It refers to maintaining long term relationship.

57) Write down few names of regional trade associations.

NAFTA, EU, LAFTA, CEEAS.

58) What is the main aim of trade blocks?

Free trade among members.

59) What is Inter-region trade?

It refers to trade between two or more regional groups.

60) Define - Globalization

The growing economic inter dependence of the countries worldwide through increasing volume and variety of cross border transaction in goods and services and of international Capital flow.

61) What is control?

Control is some sort of systematic effort to compare current performance.

62) Define-Control

Control is checking current performance against pre determined standards contained in the plans, with a view to ensure adequate progress.

63) What is information?

Information is data plus relevance.

64) Write down some important non financial indicator.

Manufacturing and production, sales and marketing.

- 65) What is evaluation?
Evaluation is the comparison of actual progress.
- 66) What is quantitative evaluation?
It includes number of offerings, amount of goods and bad outcome.
- 67) What is qualitative evaluation?
It includes the contents, quality and relevance of the programme.
- 68) What is formative evaluation?
It is needed if safety concern arises.
- 69) What is financial benchmarking?
It performs a financial analysis and comparing the results in an effort to assess one's overall competitiveness.
- 70) What is performance benchmarking?
It allows the initiator firm to assess their competitive position.
- 71) What is functional benchmarking?
It helps to improve the particular functions of benchmarking.
- 72) What is budget?
Budget is a pre determined detailed plan of action.
- 73) What is budgetary control?
When a budget is used as a control it is known as budgetary control.
- 74) What is conflict?
It is disagreement through which the parties involved perceive a threat to their needs, interests or concerns.
- 75) What is internal Conflict?
Conflict within the organization is known as internal conflict.
- 76) What is external conflict?
Conflict between two or more organizations is known as external conflict.
- 77) Write down some important factors causing conflict.
Structural factor, specialisation, Goal differences.
- 78) Write down some important personal factors causing conflict.
Misunderstanding, Selfishness, etc.

- 79) Write down some important conflict resolution action.
In organization side, we use compromise, collaboration, etc.
- 80) Write down basic elements of negotiation.
The process, behavior and substance.
- 81) Write down the name of international agencies in conflict resolution.
International Finance Corporation, Multilateral Investment Guarantee Agency.
- 82) Write down the aim of trade blocks.
Free trade among members.
- 83) Write down the modes of entry.
Export, licensing, joint venture.
- 84) What are the various factors help to turn international?
Higher profit opportunities, Better products.
- 85) What is the role of OPEC?
Stabilize price of petroleum, fixing the price of petroleum.
- 86) What is benchmarking in global Competitiveness?
World class performers, adopting best practices.
- 87) Write down WTO objectives
To provide trade review mechanism.
- 88) Explain TRIPS
Trade related aspects of intellectual property rights.
IPR= Information with commercial value divided into industrial property.
- 89) What is renegotiation?
Use of more local management, additional import and export of raw materials.
- 90) Write down the types of organizational structure in international business.
Domestic, export, International.
- 91) What is GATS?
General Agreement on Trade in Services rules for multilateral, legally enforceable rules.
- 92) What are trade blocks?
Trade blocks are the regional trade agreement zone having provisions for common international trading activities.

- 93) What is trans National Corporation?
It has the criterion of having no principal domicile, no one central source of power.
- 94) Write down the indicators for global business environment?
They are market potential, in fracture and product design.
- 95) Write down the use of counter trade?
It is important for developing countries because inadequate market access for their exports
debt burden.
- 96) What is free trade?
There is no restriction for the flow of goods and services between the nations.
- 97) What is capitalism?
Capitalism refers to the free enterprise economy.
- 98) What is mixed economy?
Private and public enterprises are existing.
- 99) What is economic environment?
It refers to internal and external factors.
- 100) What is inflation?
A rise in price is known as inflation.

Essay Question and Answers

1. Explain the international trade theories.
The theory of comparative advantage, absolute cost theory, heckser ohlein theory.
2. Explain the forms of international trade.
Ownership forms and non-ownership forms.
3. Explain the frame work of WTO and write down the emerging issues/implications in international trade?
Ministerial conference – general council – Council for trade in services – trade in goods – committee on trade and development.
Marketing access, domestic support, export subsidy.
4. Explain the possible causes for conflict.
Protecting the brand names, trade marks and logos, intellectual property rights, counterfeit, Pirated or the original, prior use and registration.

5. Explain the intellectual property rights.
Invention – patent right, new design – registration, a piece of art – copy right.
6. Explain what are the various measures are taken by the government to promote export?
Financial services for exporters, facilitating services for exporters, fiscal concession for exporters.
7. Explain the documents needed in India for export by ship, land and by post.
Shipping bill, commercial invoice, bill of lading, temporary import certificate, insurance certificate, export packing list.
8. Explain the legal and operational procedures for exporting from India.
Legal procedure – obtaining import-export code number and RCMC, licence/certificate/permission for export of restricted items, identity cards, quality certification, exports by post and export by samples.
9. Explain the exchange rate theories.
 - a) Mint parity theory
 - b) Purchasing power parity theory
 - c) Interest rate parity theory
10. Explain the economic environment of India.
Macro economic aggregates, External sector, fiscal factors, major economic sector.
11. Explain the political environment of India.
Basic political ideologies, politico-economic system, functioning of political parties.
12. Explain cultural environment in India/
Culture definition , culture manifests in actions subtle ways, cultural exchanges and uniqueness.
13. Explain the globalization of business? Causes of globalization and discuss the issues and concerns of globalization.
Levels of globalization, globalization of world economy, global thinking, multilateral financial arrangements. Foreign private capital, industrial revolution, growth of MNCs, changes, efficiency, stability.
14. Discuss the trade blocks?
Causes for emergence of trade block, regional trade association, aims of trade blocks.
15. Discuss the structural design of MNEs.

Concepts and issues in structural design of MNEs , traditional alternative structural designs of MNEs

16. Discuss the approaches to control.
Meaning, control process, difficulties in effecting control in the case of MNEs, Types of control in globalization.
17. Explain performance measurement.
Mechanics of performance measurement.
18. Briefly discuss the evaluation system.
Concept of evaluation, types of evaluation, evaluation process.
19. Briefly discuss the conflict in international business.
Meaning, types, nature, modes of conflict, importance of conflict in MNEs.
20. Discuss the factors causing conflict.
Causes of organizational conflict.
21. Explain conflict resolution measures.
Avoidance, collaboration, compromise.
22. Discuss the role of negotiations in international business.
Basic elements of negotiation , negotiation between government and MNEs
23. Discuss the role of international business in conflict resolution.
IFC, MIGA, ICC , ICSID, WTO
24. Explain strategic planning.
Meaning , types, Strategic planning in globalization.
25. Briefly discuss the exchange rate determination.
Flow model, current account monetary model, capital account model.