

**MOTHER TERASA COLLEGE OF ARTS & SCIENCE, ILLUPPUR,  
PUDUKOTTAI-DT  
PG & DEPARTMENT OF BUSINESS ADMINISTRATION**

**CLASS: II-MBA**

**SEMESTER-IV**

**Sub. Code: 16MBA16**

**2 Marks**

**Title of the Subject: International Business Environment**

**Name of the faculty: Prof. V. GUNASEKARAN**

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**1. What is International business?**

International business refers to the trade of goods, services, technology, capital and/or knowledge across national borders and at a global or transnational scale. It involves cross-border transactions of goods and services between two or more countries.

**2. State the Modes of International business**

- Direct Exporting.
- Licensing and Franchising.
- Joint Ventures.

**3. What is Internal environment?**

Internal environment is a component of the business environment, which is composed of various elements present inside the organization, that can affect or can be affected with, the choices, activities and decisions of the organization.

**4. What is Economic Environment?**

The international economic environment can be described as the global factors that are outside of the control of individual organizations but that can affect the way that businesses operate. These factors include unemployment rates, inflation rates, and labor costs.

**5. What is recent world trade?**

Current trends are towards the increasing foreign trade and interdependence of firms, markets and countries.

## **Unit – II**

### **6. What is FDI?**

A foreign direct investment (FDI) is an investment in the form of a controlling ownership in a business in one country by an entity based in another country.

### **7. Any two types of FDI.**

- Horizontal FDI
- Vertical FDI

### **8. What is MNC?**

A multinational corporation is a corporate organization that owns or controls production of goods or services in at least one country other than its home country.

### **9. Any two benefits of FDI.**

- Increased Employment and Economic Growth. ...
- Human Resource Development.

### **10. State the reasons for FDI in India.**

A major monetary source for economic development in India. Foreign companies invest directly in fast growing private Indian businesses to take benefits of cheaper wages and changing business environment of India.

## **Unit – III**

### **11. What is WTO?**

The World Trade Organization is an intergovernmental organization that is concerned with the regulation of international trade between nations.

### **12. What are Trade blocks?**

In general terms, regional trade blocks are associations of nations at a governmental level to promote trade.

### **13. What is Cross border Mergers and Acquisitions?**

Cross border Mergers and Acquisitions or M&A are deals between foreign companies and domestic firms in the target country.

### **14. Steps of the M&A Process**

- Compile a target list.
- Contact the targets.
- Send/receive a teaser.

### **15. What is Cross-national cooperation and agreements?**

Integration is a political and economic agreement among countries that gives preference to member countries to the agreement.

## **Unit – IV**

### **16. What is foreign exchange?**

Foreign exchange, or forex, is the conversion of one country's currency into another. In a free economy, a country's currency is valued according to the laws of supply and demand.

### **17. What is offshore?**

The term offshore refers to a location outside of one's national boundaries, whether or not that location is land- or water-based.

### **18. What is financial centers?**

A financial center, or a financial hub, refers to a city with a strategic location, ... real estate, and banking tend to become global financial hubs.

### **19. What is Non-Banking Financial Company**

A Non-Banking Financial Company (NBFC) is a company registered under the Companies Act, 1956 engaged in the business of loans and advances, acquisition.

### **20. What is stock market?**

A stock market, equity market or share market is the aggregation of buyers and sellers of stocks, which represent ownership claims on businesses.

## **Unit – V**

### **21. What is global competitiveness?**

The ability of a country to achieve sustained high rates of growth in gross domestic product (GDP) per capita.

### **22. What is Export management?**

Export management company (EMC). Independent private company that acts like an export department for several non-competing manufacturers and suppliers.

### **23. What is joint ventures?**

Joint ventures are formed when business groups or individuals lack funds or technical knowledge and expertise.

### **24. What is HRD?**

Human Resource Development is the framework for helping employees develop their personal and organizational skills, knowledge, and abilities.

### **25. What is Multilateral Settlement**

Multilateral Settlement of Accounts. a system of mutual payments used in foreign trade, credits, investments, and nontrade payments that involve three or more parties.

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