GLOBAL BUSINESS MANAGEMENT

SECTION-A

1. **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 level.

2. **TRIMS**

TRIMS are investment related measures proposed by WTO to ensure free flow of investment all over the world

3**.TRIPS**

It is the agreement on Trade Related Aspects of Intellectual Property Rights ,recognises that widely varying standards in the protection and enforcement of Intellectual property rights and lack of multilateral disciplines dealing with international trade.

4. **Name any two MNC**

1.M C Donald"s corporation

2.Wipro Limited

5 .**Common Currency:**

It can be defined as the currency that is accepted and used by a lot of geographic regions or several countries to do transactions and business.

6. **Liberalisation:**

It is the process of removal or reduction of restrictions or barriers on the free exchange of goods between nations.It includes the removal or reduction of both tariff and non-tariff obstacles.

7. **Globalisation:**

It refers to the process of integration of the world in to one huge market.It have main two components –the globalisation of markets and the globalisation of production.

8**. Economy**

It consists of the economic system of a country or other area the labour ,capital and Resources.

9.**Global Warming:**

It is when the earth heats up.It happens when greenhouse gases trap heat and light from the sun in the earths atmosphere.

10**.MNC(Multi National Companies)**

MNC are companies that manufacture and msrket the products or services in several countries.

11.**GATT**

GATT is a multilateral trade agreement with oversea,and it has been labelled the locomotive that powers international commerce.

12.**Corporate Soial Responsibility**

It is a term that has in recent years increasingly entered in to the languge of business.

13.**Objectives of GATT:**

1.To increase the effective demand for real income growth and goods.

2.To ensure a better living standards in the world as a whole.

14.**Goals of the Uruguay Round:**

1.To reduce agricultural subsidies.

2.To put restrictions on foreign investment

15.**WTO(World Trade Organisation)**

It is an international organisation designed by its founders to supervise and liberalize international trade.

16.**DOHA ROUND:**

It is the current trade negotiations round of the world trade organisation which commencement in November 2001.Its objectivies is to lower trade barriers around the world, which facilitates the increase of global trade.

17**.Copy Right:**

Copy right is a right ,which is available for creating an original literary or artistic work.

18.**Patenet Right:**

It is an exclusive right granted by a country to the owner of an invention to make use,manufacture an dmarket the invention.

19.**Trademarks:**

It is a distinctive sign ,which identifies certain goods or services as those produced by a specific person or enterprise.

20.**Direct Investment**

Direct investment are differentiated by much greater levels of control over the project or enterprise by the investor.

SECTION-B

1.Write short notes on Urugay Round

It was the 8 th round of multilateral negotiations conducted with the frame work of the general agreement on trade and tariffs.

The round transformed the GATT in to the World trade oraganisations

The Round came in to effect in 15 and has been implemented over the period to 2000

The Urugay round agreement on Agriculture ,administered by the WTO

It brings agriculture trade more fully under the GATT.

The agreement also implies rules and disciplines on agricyultural export subsidies, domestic subsidies and phyto –sanitary measures

It contain the mandate to have negotiations in 15 areas.

Reforms in agriculture that had remained outside the mainstream of the GATT rules.

2.Features of TRIMs

1.It offer fair treatment and all such facilities to all foreign investors are ato their domestic investors.

2.To remove restrictions on repatriation of dividend,iinterst and royalty by multinational companies.

3.To allow 100 percent foreign equity participation in certain areas.

4.NOo restrictions on foreign investment regarding areas i.e foreign companies can make investment in any area.S opens up the opportunity to foreign investors anywhere in the world in any economic activity.

5.The agreement further ensures that all the units whether indigenous or foreign will be treated at par without any discrimination in terms of regulations and policies.

3.Advantages of Globalisation:

1.Globalisation helps to boost the long run average rate of the economy of the country.

2.Globalisation paves the way for removing inefficiency in production system

3.Globalisation attracts entry of foreign capital along with foreign capital along with foreign updated technology which improves the quality of production.

4.Globalisation discourages uneconomic import substitution and favour cheaper imports of capital goods which reduces caital output ratio in manufacturing industries.

5.Globalisation enhances the efficiency of the banking insurance anf financial sectors with the opening up to those areas to foreign capital.

6.Globalisation facilitates consumer goods industries to expand faster to meet growing demandfor these consumer goods which would faster expansion of employment.

4.Impact of Globalisation in Indian Busiiness

Globalisation has increased across the world in recent years due to the fast progress that has been made in the field of technology especially in communications and transport.

Trade in Goods and Services: International tradeensures allocating different resources and that has to be consistent.

Movement of capital: The production base of india is getting enhanced due to capital flows across countries.Mobility of capital only enabled savings for the entire globe and exhibited high investment potential.

Financial Flows: The capital market development is one of the major features ofthe process of globalisation in india. The growth in capital and mobility of te foreign exchange markets better transfer of resources cross borders and by large the global foreign exchange markets improved.

The effectys of globalisation on Indian Industry have proved to be positive as well as negative.The government of India must try to make such economic policies with regard to Indian industrys globalisation that are beneficial and not harmful.

5.Dimension of Liberalization

Liberalisation can be understood as a process introducing greater market openness and a competitive market environment.such aprocess requires the removal of obstacles to mrket entry and competition.

Liberalisation of trade are two dimensions they are closely connected in practice.

Domestic liberalisation aims at ensuring competitive market for domestic economic actors,

International liberalisationj aims aims at ensuring competitive environment for international actors.

A measure of domestic liberalisation often also advances liberalisation of trade.

In theory ,both dimensions of liberalisation do not necessarily coincides-a market can be high open domestically and provide a competitive environment for domestic actors,but may be closed for International economic actors.Usually opening a market to foreign services suppliers also requires domestic liberalisation because of legal ,poltical and practical reasons.

6.Business Ethics in Global Business:

Ethics is a branch os philosophy that addresses questions about morality i.e concepts such as good versus bad.

International or global business ethics,as the name implies is that part of business ethics that deals with international issues .

It encompasses moral judgements made about these issues,as well as the various theoretical considerations connectd with explanning such judgement.

It refers to the ethical dimensions of any businesss relation involving two or more countries

International business ethics is sometimes taken to encompass such broad issues as the ethics of the present rate of use of natural resources.

It included global issues such as depletion of the ozone layer and global warming.

7.Global Warming Due to Globalisation

Globalization and environment are intriguely interconnected.

Apart from the consequent effect of globalization onto the climate, it also has some positive impact.

In order to develop the awareness of this global treat, industrialized countries should limit their GHG emission level.

Governments, industries and individuals in industries nations have collectively begun continual steps of actions to reduce the emission of green house gases. But still it has to be quantified that this dramatic change in climate and increase in the rate of global warming is due to globalization that is transportation of goods around the world and the trade agreement such as

Multilateral Agreement on Investment has restricted the capacity of countries to widen the environment .

The impact of this climatic change can cause increase in drought conditions, floods are taking place frequently, also rising sea-levels and extreme temperatures are experienced.onmental regulations.

8).**Features of MNC**

Meaning of Multinational Companies (MNCs):

A multinational company is one which is incorporated in one country (called the home country); but whose operations extend beyond the home country and which carries on business in other countries (called the host countries) in addition to the home country.

Features of Multinational Corporations (MNCs):

- i) Huge Assets and Turnover: ...
- (ii) International Operations Through a Network of Branches: ...
- (iii) Unity of Control: ...
- (iv) Mighty Economic Power: ...
- (v) Advanced and Sophisticated Technology: ...
- (vi) Professional Management: ...
- (vii)Aggressive Advertising and Marketing:

9) Licensing and its Advantages

A licensing agreement gives a licensee rights to use a product that the licensor already owns. Numerous items can be part of a licensing agreement, including a trademark, a patent, or even branding. The rights of the licensee are fully outlined in the agreement for the license, which may allow them to sell items, use a trademark, or take advantage of a specific brand .

Advantages of Licensing

1. It creates an opportunity for passive income.

If you are the owner of an intellectual property, then licensing it is an opportunity to create an ongoing stream of passive revenues.

2. It creates new business opportunities.

A licensee can benefit from this type of arrangement because it requires less money from them to start a business opportunity. They can purchase a license instead of outright ownership, then begin to make profits right away..

3. It reduces risks for both parties.

Licensing is designed to reduce the risks involved in doing business for everyone involved. From a licensee standpoint, there are fewer risks in product development, market testing, manufacturing, and distribution.

4. It creates an easier entry into foreign markets.

When a licensing arrangement is in place, then the licensor is able to get their product into new markets much easier than if they were doing the work on their own.

***5.* It creates self-employment opportunities.**

Licensing allows people to go into business for themselves. They get to experience all of the advantages of self-employment, such as setting their own hours, while you get the benefits of having someone invested into your IP.

10.Franchising

Franchise means expanding the business in the new market by transferring trademark and goodwill to franchisee by charging fees.Franchising Agreement is a special agreement between both the parties, under which rights are given, and also the terms and conditions relating to franchising are stated clearly.

Characteristics of Franchising

1. **License**: The franchisee gets the right to use, franchiser's trademark under a license.
2. **Policies**: The franchisee must follow the policies concerning the mode of conducting business, as stated in the agreement.
3. **Marketing support and technology**: Franchisee is supplied with continuous market support and technology, by the franchiser, to undertake business, in the manner stated in the franchising agreement.
4. **Training**: Complete training and assistance are provided to the personnel working in the franchisee's enterprise.
5. **Royalty**: For making use of a well-known business model, the franchisee pays the royalty to the franchiser.
6. **Limited period**: Franchisee is allowed to use the business know-how and brand name for a specified period, as mentioned in the franchise agreement. Although, the agreement can be renewed further.

11.supply chain Managemnt

Supply chain management is the management of the flow of goods and servic*es* and includes all processes that transform raw materials into final products.

It involves the active streamlining of a business's supply-side activities to maximize customer value and gain a competitive advantage in the marketplace.

SCM represents an effort by suppliers to develop and implement supply chains that are as efficient and economical as possible.

Supply chains cover everything from production to product development to the information systems needed to direct these undertakings.

Typically, SCM attempts to centrally control or link the production, shipment, and distribution of a product.

By managing the supply chain, companies are able to cut excess costs and deliver products to the consumer faster. This is done by keeping tighter control of internal inventories, internal production, distribution, sales, and the inventories of company vendors.

12. Export Promotion Policies in India

The government of India has liberalized the schemes for the export oriented units and export processing zones, agriculture, horticulture, poultry, fisheries and dairying have been included in the export oriented units. Export promotion capital goods schemes (EPCGS) has been started to permit the exporters to import capital goods on concessional import duties. Under the EPCGS scheme, such importers of capital goods have to export goods of 4 times values of import within next five years. Establishment of the EXIM bank and SEZs promoted the export from country

Government of India has liberalized the schemes for export oriented units and export processing Zones. Agriculture, Horticulture, poultry, fisheries and dairies have been included in the export oriented units. Export processing zones have been allowed to export through trading and star trading houses and can have equipment on lease. These units have been allowed cent percent participation in foreign equities.

13. Status Holder Scheme

Export performance is a status recognition as one star Export House, two Star Export House, three star export house, four star export house and five star export house is accorded to the eligible applicants as per their export performance. Such Status Holders are eligible for various non-fiscal privileges as prescribed in the Foreign Trade Policy**.**

In addition to the above schemes, facilities like 24X7 customs clearance, single window in customs, self assessment of customs duty, prior filing facility of shipping bills etc are available to facilitate exports.

14.What is a Trading House?

A trading house is a business that specializes in facilitating transactions between a home country and foreign countries. A trading house is an exporter, importer and also a trader that purchases and sells products for other businesses. Trading houses provide a service for businesses that want international trade experts to receive or deliver goods or services. A trading house may also refer to a firm that buys and sells both commodity futures and physical commodities on behalf of customers and for their own accounts. Prominent commodity trading houses include Cargill, Vitol and Glencore.

A trading house serves as an intermediary. It might purchase t-shirts wholesale from China, then sell them to a retailer in the United States. The U.S. retailer would still receive wholesale pricing, but the price would be slightly higher than if the retailer purchased directly from the Chinese company. The trading house must mark up the price of the goods it sells to cover its costs and earn a profit. However, the t-shirt retailer avoids the hassles of importing. The retailer also may be able to simplify its operations by dealing with one or two trading houses to get its inventory instead of dealing directly with numerous wholesalers.

15.Trading House Advantages

Economies of Scale*:* A trading house typically has a large portfolio of clients that provide economies of scale benefits. For example, a large trading house can use its significant buying power to receive discounts from manufacturers and suppliers. A trading house can also reduce transportation costs if it ships to customers in large quantities.

International Foothold*:* Trading houses have an extensive network of contacts in international markets that help them secure favorable deals and find new customers. They may also have staff working in foreign offices to work with customs officials and manage legal issues to ensure smooth operation of the business.

Currency Management: Because a trading house is continually importing and exporting products, they have expertise in managing currency risk. Trading houses use risk management techniques, such as hedging, to avoid getting exposed to adverse currency fluctuations. For example, a trading house that has a future payment in euros may use a currency forward contract to lock in the current EUR/USD exchange rate.and trade credits.

.

SECTION-C

1. General Agreement on Tariffs and Trade (GATT)

The General Agreement on Tariffs and Trade (GATT), signed on Oct. 30, 1947, by 23 countries, was a legal agreement minimizing barriers to international trade by eliminating or reducing quotas, tariffs, and subsidies while preserving significant regulations. The GATT was intended to boost economic recovery after World War II through reconstructing and liberalizing global trade.

The GATT went into effect on Jan. 1, 1948. Since that beginning it has been refined, eventually leading to the creation of the World Trade Organization (WTO) on January 1, 1995, which absorbed and extended it. By this time 125 nations were signatories to its agreements, which covered about 90% of global trade.

The Council for Trade in Goods (Goods Council) is responsible for the GATT and consists of representatives from all WTO member countries. As of September 2019, the council chair is Uruguyan Ambassador José Luís Cancela Gómez. The council has 10 committees that address subjects including market access, agriculture, subsidies, and anti-dumping measures.

- The General Agreement on Tariffs and Trade (GATT) was signed by 23 countries in October 1947, after World War II, and became law on Jan. 1, 1948.
- The GATT's purpose was to make international trade easier.
- The GATT held eight rounds in total from April 1947 to September 1986, each with significant achievements and outcomes.
- In 1995 the GATT was absorbed into the World Trade Organization (WTO), which extended it.

The GATT was created to form rules to end or restrict the most costly and undesirable features of the prewar protectionist period, namely quantitative trade barriers such as trade controls and quotas. The agreement also provided a system to arbitrate commercial disputes among nations, and the framework enabled a number of multilateral negotiations for the reduction of tariff barriers. The GATT was regarded as a significant success in the postwar years. One of the key achievements of the GATT was that of trade without discrimination. Every signatory member of the GATT was to be treated as equal to any other. This is known as the most-favored-nation principle, and it has been carried through into the WTO

2)Political Environment in International Business

The political situation of a country **a**ffects its economic setting. The economic environment affects the business performance. ... This influences factors like taxes and government spending, which ultimately affect the economy. A greater level of government spending often stimulates the economy. The political environment in international business consists of a set of political factors and government activities in a foreign market that can either facilitate or hinder a business' ability to conduct business activities in the foreign market. There is often a high degree of uncertainty when conducting business in a foreign country, and this risk is often referred to as political **risk** or **sovereign risk**.

Common Political Factors

common political factors that influence the international business landscape. The type of economic system a country builds is a political choice. Foreign countries often will have different economic systems from your domestic market, and adjustments often need to be made to take these differences into account.

For example, a country may operate in a market economy where private individuals own most of the property and operate most of the businesses. A market economy is usually the best economic environment for a foreign business because of the protection of private property and contract rights.

Some countries lean more towards a socialist economy where many industries and businesses are owned by the state. Operating businesses in this environment will be more difficult, but products can still be produced and sold as people still pick their jobs and earn money.

A few countries operate under a communistic economic system where the state pretty much controls all aspects of the economy. Conducting business in this environment ranges from difficult to impossible.

Of course, the reality is that all economies are mixed economies that take parts from two or more of the 'pure' economic systems. For example, you can conduct business in communist China in Hong Kong and other special areas where a market economy is allowed to operate.

Businesses also must often contend with different governmental systems. Examples include democracies, authoritarian governments, and monarchies. Some governments are easier to work with than others. Democracies, for example, are answerable to their citizens and the rule of law.

3)Cultural Environment

The customers of a particular region, studying their social and cultural environment is very important. The environment shapes the values, behaviors, attitudes and aspirations of people. The study of social hierarchy, social norms and customs, regional/ religion based groups and their behavior helps us to understand the cultural environment of a place. This helps a marketer to position the products appropriate

Cultural Factors Affecting Business

- fashion trends,
- lifestyle,
- social media influence (blogging, etc.) vs traditional media (press, TV, radio),
- dominant communication technology in social groups,
- participation in cultural events,
- willingness to pay for tickets,
- popular actors, music styles, design forms, etc.

- creativity of people,
- relative population of local (folk) artists vs. global imported culture,
- various other determinants of culture.

4) Recent world Trade and Foreign Investment Trade

5 Major Current Trends in Foreign Trade

Current trends are towards the increasing foreign trade and interdependence of firms, markets and countries. Intense competition among countries, industries, and firms on a global level is a recent development owed to the confluence of several major trends. Among these trends are:

1) Forced Dynamism:

International trade is forced to succumb to trends that shape the global political, cultural, and economic environment. International trade is a complex topic, because the environment it operates in is constantly changing. First, businesses are constantly pushing the frontiers of economic growth, technology, culture, and politics which also change the surrounding global society and global economic context. Secondly, factors external to international trade (e.g., developments in science and information technology) are constantly forcing international trade to change how they operate.

2) Cooperation among Countries:

Countries cooperate with each other in thousands of ways through international organisations, treaties, and consultations. Such cooperation generally encourages the globalization of business by eliminating restrictions on it and by outlining frameworks that reduce uncertainties about what companies will and will not be allowed to do. Countries cooperate:

i) To gain reciprocal advantages,

ii) To attack problems they cannot solve alone, and

iii) To deal with concerns that lie outside anyone's territory.

3) Liberalization of Cross-border Movements:

Every country restricts the movement across its borders of goods and services as well as of the resources, such as workers and capital, to produce them. Such restrictions make international trade cumbersome; further, because the restrictions may change at any time, the ability to sustain international trade is always uncertain. However, governments today impose fewer restrictions on cross-border movements than they did a decade or two ago, allowing companies to better take advantage of international opportunities. Governments have decreased restrictions because they believe that:

i) So-called open economies (having very few international restrictions) will give consumers better access to a greater variety of goods and services at lower prices,

ii) Producers will become more efficient by competing against foreign companies, and

iii) If they reduce their own restrictions, other countries will do the same.

4) Transfer of Technology:

Technology transfer is the process by which commercial technology is disseminated. This will take the form of a technology transfer transaction, which may or may not be a legally binding contract, but which will involve the communication, by the transferor, of the relevant knowledge to the recipient. It also includes non-commercial technology transfers, such as those found in international cooperation agreements between developed and developing states. Such agreements may relate to infrastructure or agricultural development, or to international; cooperation in the fields of research, education, employment or transport.

5) Growth in Emerging Markets:

The growth of emerging markets (e.g., India, China, Brazil, and other parts of Asia and South America especially) has impacted international trade in every way. The emerging markets have simultaneously increased the potential size and worth of current major international trade while also facilit

5. Difficulties Faced By Exporters in International Trade

on the international trading, there are many aspects to consider as an exporter. Legal norms are crucial when it comes to international trading, and they can ease or complicate the process. But besides these norms and the entire legal aspect, there are other details to consider as well. The problems faced by exporters are challenging and can delay the exporting process a lot.When you start exporting goods or products, you have a real chance to reach a significant profit and success.

1. Geography and transportation

One of the first exporting challenges that you might have to deal with is the distance. If you are planning to export your goods to a country that is far away from your location, the process can get a bit complicated. Especially if the country is in a different continent and therefore, a different system can be utilized. And the longer the distance gets, the more complex transportation gets.Assuming your goods will have to travel to several other countries to reach their destination, you should check the norms for those countries as well. It will help you avoid problems and shipping delays. Also, if your goods will travel over the sea or ocean, you might need to consider a different form of transportation such as a ship instead of an airplane. Prices vary as well for different shipping methods and so does the time which is why you need to pay attention to such details.

2. Payment methods

The payment method is very important when it comes to international trading. Some countries might not share the same fiscal system with your country. And you will need help and assistance when trading with such countries. There are also some international forms of payment that will cover such situations, but they need to be present in both countries. There are several ways to reach one of these payment methods, and with proper research, you should identify them. An accountant will also help you make the best choice.Consider the different currencies and potential money loss along the way, so you don't waste your funds. It is especially important if you are trading with a country that doesn't use euro or USD currencies.

3. Different legal norms

When it comes to possible problems of exporting goods, the legal systems is an important one. It also implies the safety system of a certain country that you want to trade with. You should stay informed regarding government laws for goods safety, especially when you export foods. Some regulations might delay the export-import process and create issues for both you and the local importer. The most important problems of import and export come from a bad legal system in one country or another. might be restricted when it comes to advertising your goods or the quantity that you want to export. A good lawyer specialized in international trading can help you overcome such issues and establish a quality business.Some countries have a complex bureaucratic system that requires a variety of documents and certificates. You might need to obtain certain licenses and permits when you export to certain countries for the first time.

4. Language barriers

Language barriers can be a real issue when trading internationally. If your importer doesn't speak the same language things might be lost in the translation. The main trading language can be used in English. However, many countries don't have English as their national language, so importers might use different translation programs to communicate with you. You can still make a deal as long as you keep the language simple and as standard as possible. Hiring a translator will save you from a lot of struggle when it comes to communication problems. And it is an investment worth making because no one needs misunderstandings when there's a lot of money involved!You can hire a translator that speaks the local language of the country of destination.

5. Finding the right importer

Maybe the most important part to take care of as an international trader is finding the right importer. Your important will be your partner in the entire process, and they can become a blessing or a curse for you. Always pay attention when you decide to do business with an importer or another and do your best to avoid possible local scams.

6. Different customs and cultures

When you are exporting into a new country, you need to consider their culture and traditions. It may happen especially if you are exporting goods like food or even clothes. For instance, certain types of meat might not be allowed to some countries due to cultural limitations. Or some clothes might not be allowed, especially when it comes to women. It is crucial to do your research on local traditions and adapt your export-import process to that..Besides these differences between cultures, you should also consider what the country needs.

6) EXPORT PROMOTION SCHEMES

Foreign Trade Policy 2015-20 and other schemes provide promotional measures to boost India's exports with the objective to offset infrastructural inefficiencies and associated costs involved to provide exporters a level playing field. Brief of these measures are as under:

1.1 Exports from India Scheme

i. Merchandise Exports from India Scheme (MEIS)

Under this scheme, exports of notified goods/ products to notified markets as listed in Appendix 3B of Handbook of Procedures, are granted freely transferable duty credit scrips on realized FOB value of exports in free foreign exchange at specified rate. Such duty credit scrips can be used for payment of basic custom duties for import of inputs or goods.

Exports of notified goods of FOB value upto Rs 5,00,000 per consignment, through courier or foreign post office using e-commerce shall be entitled for MEIS benefit. List of eligible category under MEIS if exported through using e-commerce platform is available in Appendix 3C.

ii. Service Exports from India Scheme (SEIS)

Service providers of notified services as per Appendix 3D are eligible for freely transferable duty credit scrip @ 5% of net foreign exchange earned.

2. DUTY EXEMPTION & REMISSION SCHEMES

These schemes enable duty free import of inputs for export production with export obligation. These scheme consists of:-

2.1 Advance Authorization Scheme

2.2 Advance Authorization for annual requirement

2.3 Duty Free Import Authorization (DFIA) Scheme

2.4 Duty Drawback of Customs

2.5 Interest Euqlisation Scheme (IES)

3. EPCG SCHEME

3.1 Zero duty EPCG scheme

Under this scheme import of capital goods at zero custom duty is allowed for producing quality goods and services to enhance India's export competitiveness. Import under EPCG shall be subject to export obligation equivalent to six times of duty saved in six years. Scheme also allows indigenous sourcing of capital goods with 25% less export obligation.

3.2 Post Export EPCG Duty Credit Scrip Scheme

A Post Export EPCG Duty Credit Scrip Scheme shall be available for exporters who intend to import capital goods on full payment of applicable duty in cash.

4. EOU/EHTP/STP & BTP SCHEMES

Units undertaking to export their entire production of goods and services may be set up under this scheme for import/ procurement domestically without payment of duties. For details of the scheme and benefits available therein FTP may be required.

5. OTHER SCHEMES

5.1 Towns of Export Excellence (TEE)

Selected towns producing goods of Rs. 750 crores or more are notified as TEE on potential for growth in exports and provide financial assistance under MAI Scheme to recognized Associations.

5.2 Market Access Initiative (MAI) Scheme

Under the Scheme, financial assistance is provided for export promotion activities on focus country, focus product basis to EPCs, Industry & Trade Associations, etc. The activities are like market studies/surveys, setting up showroom/warehouse, participation in international trade fairs, publicity campaigns, brand promotion, reimbursement of registration charges for pharmaceuticals, testing charges for engineering products abroad, etc.

7.STAR TRADING HOUSES

Export/Trading/Star Trading/Super Star Trading Houses have been accorded special status. When exporters achieve the specified level of exports over a period, they may be recognized as EH/TH/STH/SSTH. Exports made both in free foreign exchange and in Indian rupees shall be taken into account for recognition. The objective of this scheme is to recognize them as the respective houses” with a view to building marketing infrastructure and expertise required for export promotion. The exporters, registered with FlEO or EPC are, eligible for this purpose. The export performance criteria may be based on either f.o.b. value of exports or net foreign exchange earnings.

F.O.B. Criteria

The manufacturing or merchandising units, who have achieved the following targets can be accorded the status of above mentioned Export Houses. Deemed exports are not counted for this purpose.

Category of Houses	**Average FOB value of exports during the preceding 3 licensing years, in rupees**	**FOB value of eligible export during preceding licensing year in rupees**
Export House	Rs. 15 crores	Rs. 22 crores
Trading House	Rs. 75 crores	Rs. 112 crores
Star Trading House	Rs. 375 crores	Rs. 560 crores
Super star Trading House	Rs. 1125 crores	Rs. 1680 crores

8) India as a Emerging Market

This includes markets that may become developed markets in the future or were in the past. The term "frontier market" is used for developing countries with smaller, riskier, or more illiquid capital markets than "emerging". The economies of China and India are considered to be the largest emerging markets. India's journey as an emerging economy can be traced back to the landmark economic liberalisation of 1991 aimed at making the economy more market-oriented and expanding the role of private and foreign investment.

India is one of the most promising and fastest growing economies in the world.Its skilled managerial and technical manpower and its enormous middle class—approximately 300 million strong—offer a value proposition that businesses across the globe find hard to resist.

India’s time-tested institutions such as a free and vibrant press, a well established judiciary, a sophisticated accounting and legal system, and a user-friendly intellectual infrastructure offer foreign marketers and investors a transparent environment that is conducive to long-term success if the right business models are developed and implemented.

Global players that have successful outcomes have invested time and resources to understand local consumers and business conditions, tailored products to the entire market from the high end to the middle and lower-end segments, reengineered supply chains, and even skipped the joint venture route when necessary. The most successful multinationals in India, however, are those that have designed and tailored products and marketing strategies unique to this country’s diverse population and culture.

9) LABOUR ISSUES IN INTERNATIONAL BUSINESS -

1. Labor Mobility • Labor Mobility – The movement of people from country to country or area to area to get jobs • Immigration – Refers to the process of leaving one's home country to reside in another country • Foreign-born – Population comprises those immigrants whose move is permanent and may include taking citizenship • Foreign – Population who are guest workers

2.Labor • Child Labor – The labor of children below 16 years of age who are forced to work in production and usually receive little or no formal education • Primarily found in developing nations • Existent in developed countries • 70% is in agriculture • Forced Labor – Most common in South and East Asia

3. Brain Drain • Brain Drain – The loss by a country of its most intelligent and best-educated people – Record numbers of immigrants are moving to OECD countries in search of jobs – When skilled workers migrate from developing countries they do so for professional opportunities and economic reasons • Reverse Brain Drain – The growth of outsourcing and the movement of highly educated, technologically skilled employees and research scientists to other countries

4. Guest Workers • People who go to a foreign country legally to perform certain types of jobs • Guest workers provide the labor host countries need – Guest workers are desirable as long as the economies are growing – When economies slow, fewer workers are needed and problems appear

5. Considerations in Employment Policies • Social Status – Important with respect to labor force, especially in some cultures – Caste: the group to which people belong in a system under which people's place or level in a multilevel society is established at birth as being the same level as that of their parents • Sexism – Acceptability of women as full and equal participants in the work force ranges widely

10.World Trade Organisation& its Sailent Features

(a) Non-Discrimination:

This is the most important principle on which WTO has been founded. The principle of non-discrimination means two things. (1) All trading partners will be granted the most favoured nation (MFN) status, that is, each member state of WTO will treat every other member state equally as the most favoured nation doing trade.No discrimination will be done by a member of state between different trading states who are also members of WTO. However, some exceptions have been provided in this regard, for example, in case regional trade agreements exist. (1) Foreign goods, services, trademarks, patents and copyrights shall be given the same treatment as is given to nationals of a country.

(b) Free Trade:

The objective of WTO, as in case of GATT, is to promote free trade among nations through negotiations. For this purpose WTO has to work for progressive liberalisation of trade through reduction in tariffs and removal of quantitative restrictions on imports by member countries.

(c) Stability in the Trading System:

Under WTO agreements member states are committed not to raise tariff and non-tariff trade barriers arbitrarily. This provides stability and predictability to the trading system.

(d) Promotion of Fair Competition:

WTO system of multilateral trading system provides for transparent, fair and undistorted competition among the various countries. Rules such as Most Favoured Nation (MFN) treatment to all trading parties, equal treatment to foreign goods, patents and copyrights as with nationals ensure fair competition among trading countries. Besides, WTO agreement provides for discouraging unfair competitive practices such as export subsidies and dumping (that is, selling products abroad below domestic prices to gain market access).

(e) Special Concern for Developing Countries:

WTO has shown special concern for the developing countries as it has given them more time to adjust to agreements under it and also some special privileges. An important feature of WTO is that it would deal with not only the disputes in the area of trade in goods but a whole range of issues such services and intellectual property rights.

(f) Market Access Commitment:

WTO agreements which seek to establish multilateral trading system require the member countries to undertake market access commitment on reciprocity basis. In fact, market access is ensured by abolishing non-tariff barriers as well as by reducing tariffs.