B.Com-SEMESTER IIIrd:

INTRODUCTION TO INTERNATIONAL BUSSINESS

Introduction and Concepts of IB(international business).:-

Business as you people already know about (we have discussed in the previous sememsters),involves in lay man language commercial transactions(trade).we have already discussed abt how business is done....what are the requirements of doing business......its organisation...and much more. But all that we have discussed relates to the domestic business that is in a particular country(same country).

In This particular subject we will increase our domain that will not only be restricted to a particular country or region but beyond the national boundaries ie to other countries as well.

We will study about how business takes place between the two countries or more than two.What are the requirements of doing business internationally and much more.

So in this particular lecture I will be discussing about the meaning of International Business and its difference from Domestic Business.

International business /trade means the exchange of capital, goods, and services across international borders or territories(i.e from oone nation to another). It is the exchange of goods and services among nations of the world.It involves:

1. the movement of goods from one country to another (exporting, importing, trade),
2. contractual agreements that allow foreign firms to use products, services, and processes from other nations i.e licensing, franchising etc,
3. the formation and operations of sales, manufacturing, research and development, and distribution facilities in foreign markets.

Need for IB: All countries need goods and services to satisfy their people. Production of goods and services requires resources. Every country has limited resources; therefore a country solely cannot produce all the goods and services that it requires. Required goods which cannot be produced or the amount is insufficient as required, need to be provided from other countries. Similarly, countries sell their products to others also when the production of goods comes in surplus quantities than demanded in the country.