

## INTERNATIONAL BUSINESS:2<sup>ND</sup> CLASS

IN our previous class we have discussed about the meaning of international business in a short in order to just have a glimpse of what is international business. In this lecture we will discuss about in detail what is actually the

- meaning of international and domestic business....
- similarities and difference between the two.....
- some technical terms.....

Meaning of International and domestic Business: The exchange of goods and services between countries and across borders is referred to as international trade whereas Domestic trade happens when this business is conducted inside of a country's borders.

International business relates to any situation where the production or distribution of goods or services crosses country borders. It creates greater opportunities for international business in terms of markets, where trade barriers are falling and buyer preferences are changing. It can also be seen in terms of production, where a company can source goods and services easily from other countries..

However, a broader definition of international business may serve you better both personally and professionally. International business encompasses a full range of cross-border exchanges of goods, services, or resources between two or more nations. These exchanges can go beyond the exchange of money for physical goods to include international transfers of other resources, such as people, intellectual property (e.g., patents, copyrights, brand trademarks, and data), and contractual assets or liabilities (e.g., the right to use some foreign asset, provide some future service to foreign customers, or execute a complex financial instrument).

The entities involved in international business range from large multinational firms with thousands of employees doing business in many countries around the world to a small one-person company acting as an importer or exporter. This broader definition of international business also encompasses for-profit border-crossing transactions as well as transactions motivated by nonfinancial gains (e.g., triple bottom line, corporate social responsibility).

The **domestic business** includes the climate, business policies, business facilities, business regulations and rules, logistics, political setup, style of governance, culture, traditions, belief system, economy, etc. of the country the business operates in. This is in contrast to international business where factors outside the country the business operates in.

Companies that operate mostly or solely within one country are domestic firms. The products and services are typically tailored to the local environment, which may lead customers to trust or prefer domestic companies over foreign businesses.

So we can say in a line that domestic business involves doing business in our home country according to the needs ,,requirements...laws of that country and international business is doing business according to international norms and requirements.

There are many differences in international and domestic trade, but the basic principals are the same.