

Chapter-10

International Business

Very Short Questions (1 Mark Each)

- Q1. What is international business?
- Q2. State two types of foreign Investment.
- Q3. List two modes of entry into international business.
- Q4. What is contract Manufacturing?
- Q5. Who is franchiser?
- Q6. What is indent?
- Q7. Name any two export documents related to payment.
- Q8. What is proforma Invoice?
- Q9. Write the full form of SEZ.
- Q10. Name two International Trade Institutions.
- Q11. Name the document containing guarantee of a bank to honour drafts drawn on it by an exporter's bank.
- Q12. Why there is a need for pre-shipment inspection?
- Q13. What is the significance of bill of entry?
- Q14. Give one point of difference between licensing and franchising.
- Q15. Identify the mode of entry into an international business when an Indian Company acquires interest in an existing foreign company.



Q16. XYZ Co. (USA) acquires another Co. R. Ltd. situated at Geneva by investing 100% in its equity. What will be the R. Ltd. Co. called?

Q17. Write the full form of FDI?

Q18. Who is C&F agent?

SHORT ANSWER QUESTIONS
(CARRYING 3 / 4 MARKS EACH)

Q.1. Give difference between Internal trade and International trade.

Q.2. Briefly explain the modes of entry into international business.

Q.3. What is joint venture?

Q.4. What is Bill of Lading? How is it different from Bill of Entry?

Q.5. What are the objectives of WTO?

Q.6. China is a major producer of electronic goods at very low cost as compared to India. Discuss the benefits that India will derive if it enters into a trade agreement with China for electronic goods.

Q.7. List the codal formalities to obtain IEC No.

Q.8. Enumerate the complexities involved in international business. (at least 4 points)

Q.9. List the formalities involved in getting an export license.

Q.10. Explain the following documents used in International trade:

(i) Mate's Receipt.

(ii) Letter of credit

(iii) Shipping Bill

(iv) Certificate of origin



VALUE BASED QUESTIONS (VBOS)

Q.11. It was decided in the 'Bretton Woods Conference' to set up International Trade Organization (ITO) to promote and facilitate international trade among the member countries. The idea could not succeed. The participants of the conference made some arrangements known as GATT and at last they were able to form an organization on the same proposal of ITO.

(a) Name the organization so formed.

(b) What does GATT stand for.

(c) Why could the proposal not materialize earlier?

(d) What values should be kept in mind while making international trade regulations?

LONG QUESTIONS (CARRYING 5 / 6 MARKS EACH)

Q1. Explain the benefits of International business (i) to Nations (ii) to firms.

Q2. Explain the documents used in export procedure.

Or

S. Ltd. is exporting garments to Indonesia. Which documents will be used in this procedure by S. Ltd.

Q3. You are planning to import laptops from USA. Describe the procedure in importing them.

Q4. You are a manufacturer of Shirts. You are planning to export these shirts to Uganda (Africa) what are the difficulties you might face in exporting them. (Hint * difficulties of international trade)

Q5. RIPPLES Industries has received an export order of 5000 kids jeans from Wol Mart USA. What export procedure you will follow to execute this export order?

Q6. Identify the documents highlighted in the following statements:

(i) This document is issued by the commanding officer of the ship to the exporter after cargo



is loaded on the ship.

(ii) This document is prepared by shipping company to acknowledge the receipt of goods on ship and gives an undertaking to carry them to port of destination.

(iii) This document is the most appropriate and secure method of payment to settle international transactions.

(iv) On the basis of this document, customs office grants permission for the export.

(v) This document is prepared by the importer and it shows the details of goods imported

(vi) On the basis of this document imported goods are unloaded from the carrier. (import manifest)

Q.7 Mr. Manchanda is a business man in Gurgaon he manufactures scooters. His son after doing an MBA in USA returns to India and suggests that they should set up a fully owned factory in Bangkok for supplying to customers in South East Area and Middle East. Mr. Manchanda however does not agree to his proposal and wants to set this unit in South India. They are having a debate in this. In your opinion with whom you agree. Give reasons for support of your answer.

Or

In your opinion what are their points of difference.

Q.8. What is the role or functions of WTO?

