

Chapter - 11 International Business

Question 1

Name the entry mode in which domestic manufacturer gives the right to access to the trademark, technology, and trade secret to a manufacturer in a foreign land.

Answer: Licensing is the entry mode or a contractual arrangement when a domestic manufacturer gives the right to access to its trademark, technology, and trade secret to a manufacturer in a foreign land.

Question 2

In which term do two companies jointly agree to share each other's trade secrets and technology?

Answer: Cross-licensing is the agreement where the two companies jointly agree to share each other's trade secrets and technology.

Question 3

Mention the common points between licensing and franchising.

Answer: The common points between licensing and franchising is that both can use brand names, patent, and copyrights.

Question 4

In terms of import transaction which two documents are required?

Answer: The two documents required for import transaction are

- Commercial Invoice
- Airway/landing bill

Question 5

Define shipping bill.

Answer: Shipping bill refers to the documents required for the export of goods. Under the basis of this document, the customs officer gives permission to export the goods.

Question 6

State IEC number.

Answer: IEC number is defined as the Import Export Code number which is used to acquire an export license. This code is taken from the Directorate General Foreign Trade or Regional Import Export Licensing Authority.

Question 7

ABC company acquires XYZ company located in Delhi by investing 100% of its equity. What will the XYZ company call?

Answer: The XYZ company will be known as a solely owned subsidiary of ABC company.

Question 8

Which document contains a guarantee of a bank to honor a draft drawn on it by an exporter's bank?

Answer: An importer's bank issues 'A letter of credit' a guarantee certificate that will acknowledge payment up to a certain amount of export bills to the bank of the exporter.

Question 9

Explain C&F agent.

Answer: C&F agent is defined as a clearing and forwarding agent who is involved in implementing services directly or indirectly, connected with the clearing and forwarding.

Question 10

Define Bill of Landing.

Answer: Bill of Landing refers to the list of shipped cargo in the form of receipt given by the head of the shipment to the individual heading the shipment.

Question 11

Define Bill of Entry.

Answer: Bill of entry is the statement made by the importer or the exporter of nature of the consignment, its quantity, and the value of the goods that have been reached or being shipped. This statement is made by the customs clerk or the broker and is checked by the customs authority for its precision and tariff and regulation update.

Question 12

Define shipping advice.

Answer: This commercial document is published by the exporter, who is also the beneficiary of the letter of credit. He gives the shipment details to the importer.

Question 13

Explain the objectives of WTO?

Answer: The objectives of WTO are.

- To make sure that the taxes and trade restrictions forced by other countries are less.

- To make sure they raise the standard of living, increase employment and income, and facilitate high trade and production.
- To promote the beneficial use of resources for sustainable development.
- To improve and promote mixed, more feasible, long-lasting trading system

Question 14

Point out the advantages of WTO?

Answer: The advantages of WTO are.

- Helps to improve international harmony and assist international trade
- Disputes between countries are resolved with joint consultation
- To make rules and regulation that smoothens the process of international trade
- Increase standard of living by increasing income and free trade
- Free trade gives an extensive scope of generating quality products
- Strengthen economic trade with free trade
- The method motivates and encourages good governance
- It helps the developing country to promote its growth