

## **Chapter 11**

## **International Business**

### **One Mark Questions**

1. Give an example for international Trade in Services.
2. Name any one mode of entering into international business.
3. What is export trade?
4. What is import trade?
5. State any one major form of business operations that constitute international business.
1. Give an example for service exports and imports.
2. Give an example of a business organization that has entered into international business through licensing system.
3. Give an example of a business has entered into international business through franchising system.
4. What is Contract Manufacturing known as?
5. Mention any one type of foreign investment.
6. Name the parties in licensing system.
7. Name the parties in franchising system.
8. State any one way by which wholly owned subsidiaries enter into international business.
9. Which is the easiest mode of gaining entry into international markets?
10. EXPAND - DGFT, IEC, FTZ, EPZ, SEZ, EOUS, IMF, WTO.  
(for each of the abbreviation separate question is to be framed)
11. Name any one document of export business.
12. Name any one document of import business.
13. How many commodity boards are working at present in India?
14. Name any one commodity board working in India.
15. At present, how many export promotion councils are working in India?
16. Name any one Export Processing Zone (EPZ).
17. Name any one institution set up by the Indian government to promote export trade.
18. State any one scheme undertaken by the government to promote foreign trade.
19. Name the authority to issue bill of lading.
20. Name the authority to issue airway bill.
21. Name any one International Trade Institution.

### **Multiple Choices One Mark Questions**

1. In which of the following modes of entry, does the domestic manufacturer give the right to use intellectual property such as patent and trademark to a manufacturer in a foreign country for a fee  
(a) Licensing

- (b) Contract Manufacturing
  - (c) Joint Venture
  - (d) None of these
2. Outsourcing a part or entire production and concentrating on marketing operations in international business is known as
- (a) Licensing
  - (b) Franchising
  - (c) Contract Manufacturing
  - (d) Joint Venture
3. When two or more firms come together to create a new business entity that is legally separate and distinct from its parents, it is known as
- (a) Contract manufacturing
  - (b) Franchising
  - (c) Joint ventures
  - (d) Licensing
4. Which of the following is not an advantage of exporting?
- (a) Easier way to enter into international market
  - (b) Comparatively lower risks
  - (c) Limited presence of markets in foreign markets
  - (d) Less investment requirements
5. Which one of the following modes of entry requires higher level of risks?
- (a) Licensing
  - (b) Franchising
  - (c) Contract manufacturing
  - (d) Joint venture
6. Which one of the following modes of entry permits greatest degree of control over overseas operations?
- (a) Licensing/Franchising
  - (b) Wholly owned subsidiaries
  - (c) Contract manufacturing
  - (d) Joint venture
7. Which one of the following modes of entry brings the firm closer to international markets?
- (a) Licensing
  - (b) Franchising
  - (c) Contract manufacturing
  - (d) Joint venture
8. A receipt issued by the commanding officer of the ship when the cargo is loaded on the ship is known as
- (a) Shipping receipt
  - (b) Mate's receipt
  - (c) Cargo receipt
  - (d) Charter receipt
9. The document containing a guarantee of a bank to honor drafts drawn on it by an exporter is
- (a) Letter of Hypothecation
  - (b) Letter of Credit
  - (c) Bill of Lading
  - (d) Bill of exchange
10. Which of the following documents is not required in export procedure?

- (a) Certificate of Origin
- (b) Certificate of Inspection
- (c) Mate's receipt
- (d) Bill of Entry

11. Which of the following documents is not required in import procedure?

- (a) Trade Enquiry
- (b) Bill of Entry
- (c) Import General manifesto
- (d) Certificate of Origin

### **Two Marks Questions**

1. Define international business.
2. Give any two reasons for international business.
3. State any two modes of entry into international business
4. Write the meaning of licensing.
5. What is meant by foreign direct investment?
6. What is portfolio investment?
7. State any two benefits of international business to firms.
8. State any two benefits of international business to Nations.
9. Write the meaning of contract manufacturing?
10. Write the meaning of cross licensing?
11. State the two differences between the licensing and franchising
12. Write the meaning of joint venture.
13. Mention any two ways of forming joint venture.
14. Name any two countries with which India trades.
15. Define franchising.
16. What is meant by direct export/import?
17. Write the meaning of indirect export/import?
18. State the two ways by which wholly owned subsidiaries enter into international business.
19. Give the meaning of proforma invoice.
20. What is pre-shipment finance?
21. What is the need of pre-shipment inspection?
22. What is certificate of origin?
23. Why certificate of origin is necessary?
24. What is shipping order?
25. What is Mate's receipt?
26. Give the meaning of bill of lading.
27. What is airway bill?
28. Write the meaning of letter of credit.
29. Write the meaning of bill of entry.
30. What is import general manifest?
31. State any two measures & schemes introduced by the government to promote international business.
32. Name any two export processing zones.
33. Name any two institutions set up by the government to promote export trade.
34. Write the meaning of duty draw back scheme.
35. What is meant by export manufacturing under bond scheme?
36. Write the meaning of advance license scheme.
37. Name any two commodity boards.

38. State any two objectives of IMF.

### **Eight Marks Questions**

1. How international business differs from domestic business?
2. Explain the scope of international business.
3. Explain the benefits of international business both to nations and firms.
4. What is exporting & importing? Explain its advantages and limitations.
5. What is contract manufacturing? Explain any three advantages and three limitations of contract manufacturing.
6. Write the meaning of licensing & franchising. Explain its advantages & limitations.
7. What is joint venture? Explain its advantages & limitations.
8. What do you understand by wholly owned subsidiaries? Explain its advantages & limitations
9. Explain the steps to be followed in export trade to obtain excise clearance.
10. Explain the steps to be followed in export trade after obtaining excise clearance?
11. Explain briefly the steps involved in the import procedure.
12. Explain any eight incentives & schemes that the Indian government has evolved for promoting the country's exports.