Training memo

Training Memo Affiliation with more information about affiliation, research grants, conflict of interest and how to contact Training Memo Describe the components of international business: International business comprises the following components: Trade: The term ‘ trade’ describes the relocation of the ownership or possession of products or services from one individual or unit to another. International trade can be perceived as the trade of capital, possessions, and services across global borders. Domestic and international trades are two main kinds of trade that prevail in the business world. The difference between these kinds of is that while in the former, the factors of production i. e. assets and labor are more mobile inside a state than across states. On the other hand, in the latter, the product or service is sold or exported overseas markets. The concept of intellectual property has a significant impact on international trade. Companies spend millions of dollars for establishing brand names or trademarks to mark the specific quality for their products or services, and to obtain benefits over their competitors through the international business. Licensing Agreements and Intellectual Property Rights: Intellectual property can be described as an invention that one derives by mental power, especially a thought, creation, trade secret, procedure, data, method, patent, or brand name and other innovative creations. A licensing agreement is a contractual right that confers on a person the privilege to assist in the management, administration and guarding of intellectual property (IP). Intellectual property right is the exclusive right over the possessions of the creation by the creator. There is always a necessity to value the IP in various circumstances like for the period of negotiating the license arrangements so as to establish royalty rates, damage rates and financial statements. The major reason for inadequate protection of IP rights is because companies believe that once they establish their rights, their IP remains protected all over the world. The main reason for insufficient guarding of IP rights is that the companies consider that once they set up their human rights, their IP rights are valid all over the world. Foreign Direct Investment (FDI): FDI contributes to the development of a country into which citizens or firms from other countries invest. In the course of capital accumulation in a recipient financial system, FDI enhances the development by encouraging the amalgamation of new inputs and technologies into the production function of host countries. This boosts up the economy of the country into which the investment is made. FDI develops the effectiveness of local firms. Various components (elements) of Foreign Direct Investments are reinvested wages, equity resources any of the other capital. As countries in the foreign exchanges do not always gather data for all of those elements, reported information on Foreign Direct Investments are not completely similar across countries. Especially, information on reinvested earnings, the gathering of which depends on organizations reviews, are frequently unreported by majority countries Managing Risk: All business organizations encounter threats that could present risks to their success. These risks must be anticipated and properly managed to become successful in the operations. In the context of international business, companies have also to face various risks are associated with foreign exchange. International law consists of several rules and principles that will help to govern the relationships and dealings of countries. Various governmental and non-governmental organizations are available to manage different kinds of risks that arise when companies engage in international trade. The approaches to manage various risk associated with international business law consist of transfer the risk to any of further party, keep away from the risk, decreasing the negative result or possibility of the risk, or even accepting various or the entire of the result of a particular risk. Summarize principles of international law: International Law: International laws are more complex to understand and execute, especially when the transactions involve individuals or firms from different nations. Besides, the deciding authority that settles disputes also needs to consider each nation's specific laws. International Law, hence, consists of a set of laws and ethics that govern the relationships and dealings among countries. The main aspects that govern international laws are that different countries have distinctive laws and, therefore, there could be areas of conflict among specific laws of these nations. International law therefore seeks to provide a platform for settling conflicts among the difference in the laws of different countries. Nationwide, regional, and worldwide law, rule and customary performances are the various components of global business law. General Concepts: The international law scheme incorporates the entire subordinate legal schemes and regulates the global public kingdom and the interaction among subordinate public kingdoms. Nationwide lawful schemes consisting of private global laws are only a small fraction of the global legal system. " In addition to the established principles of international law, new concepts have begun to develop. These new concepts include (1) the precautionary principle; (2) inter-generational equity; (3) common heritage and common concern; and the polluter pays principle" (Jurgielewicz, 1996, P. 62). Global law is decided upon and developed by those that frame the worldwide system, but not all countries participate in the process. International Organizations: An international organization is an association of a worldwide scope, attendance and cooperation. There are two major kinds of international organizations: INGOs (Worldwide nongovernmental associations) and IGOs (Intergovernmental associations). INGOs function globally. This may be either worldwide non-profut organization or worldwide corporations. IGO is the kind of association closely connected with the word international organization. These are associations that are made up mainly of sovereign nations. Various other organizations include UN, EU, OSCE, WTO, CoE etc. Social Responsibility and Corporate Code of Conduct: The social responsibility of organizations demands that trade is carried out in a constructive and gainfully ethical way, ensuring least hazard, destruction or loss to consumers or the environment. Firms are also responsible to provide customers with products that possess the prescribed quality and should not bring any harm to them. The Code of Conduct describes that business organizations should be transparent and honest in their dealings and protect the interests of various stakeholders involved. It also serves as a regulatory and disciplinary plan of action with the intention to enforce adherence to pre-determined policies, measures and processes while conducting business. .

Reference List Jurgielewicz, L. N. (1996). Global environmental change and international law: prospects for progress in the legal order. University Press of America. Retrieved July 1, 2011, from http://books. google. co. in/books?id= duiOWBQuodYC&pg= PA62&dq= concept+of+international+law&hl= en#v= onepage&q= concept%20of%20international%20law&f= false