

# [Introduction to international business assignment](https://assignbuster.com/introduction-to-international-business-assignment/)

Read textbook, cases & materials as required in advance of each class Actively listen and participate in the class Fulfill all individual and group assignments 6 Course Assessment Assessment Participation in class Individual Assignments Group Assignment 60-minute Final examination Weighting 7 What is International Business? Any business transaction between entities from more than one country to serve their purposes.

Main Purposes for International Business: Expand the market and increase sales Exploit foreign resources Disperse risks 8 International Business Activities International Trade: Exports and Imports Trade in goods (tangible products) = merchandise exports & imports = visible trade Trade in services (intangible products) = service exports & imports = invisible trade Turn-key Projects: contractual relationship in which the contractor agrees to handle every detail of the project for a foreign client. Contract Manufacturing and Services Outsourcing: contractual relationships whereby a firm in one country contract out to a firm in a second country production, service or processing elements of its Global Value Chain (C. V.). General term: “ outsourcing” Management Contract: a firm in one country (the contractor) agrees to operate facilities or provide other management services to a firm in another country in return for an agreed-upon fee 10 Licensing: a firm (licensor) in one country grants to a firm (licensee) in a second country the right to use an intellectual property in exchange for payment (a royalty).

Forms of Licensing: brand licensing, product licensing, and process licensing In-licensing: a company acquiring a license room another firm Out-licensing: sale of intellectual property to other firms 11 Franchising: a firm (franchiser) permits a firm (franchisee) in a second country to utilize its trademarks, logos, operating techniques and to run a business modeled on the system developed by the franchiser in exchange for a royalty payment or a mark-up on goods or services supplied by the franchiser.

Master franchising: a single equity owns of all outlets in a market (a country or region) Unit franchising: an individual entrepreneur owns one or more outlets 12 International Investment Foreign Portfolio Investment (PI)/ Foreign Indirect Investment (F”): purchase of foreign financial assets for a purpose other than control.

Foreign Direct Investment (FAD): investment made for the purpose of actively controlling property, assets, or companies located in foreign countries Joint-ventures Wholly owned subsidiaries Greenfield Investment: setting up a new operation Merger and Acquisition (M&A): merging with or acquiring an enterprise 13 Import Export Licensing Investment International Trade: Exports and Imports Turn-key Projects Outsourcing Management Contract Licensing Franchising 14 International Businesses and Multinational Enterprise