

# Introduction to international business assignment



**ASSIGN  
BUSTER**

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 from 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,

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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<sup>''</sup>): 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