Answer No. 1 An International transaction is a money transfer that crosses national borders, frequently Involves two different Currencies.

There are Several reasons practical as well as pedagogic for evolving a separate theory of International trade, and consequent development of a distinctive branch of economic called "International Economics"

International trade follows different laws of behaviour from these domestic trade. Therefore, a separate theory are inevitable, we may enlist the important feature of International trade as under?

★ Different Political Units :-) International trade is a phenomenon which occurs between politically different units, while domestic trade occurs within the same political units. The government in each country is keen above about the welfare of its own nationals against that of each its own the people of the other country.

★ Heterogeneous Market :-) In the International economy, world markets lacks homogenity on account of different in languages, preferences customs, weights and measures, etc.
The Behaviours of International buyers in each case would, therefore, be different. for instance, the Indians have right-hand driven cars.

★ Specific Problem :-) International economic relations give rise to certain Specific problems of a particular nature, International liquidity, International monetary co-operation, evolution of International Organisations like the European common market, etc.

★ Different National Policies and Government Intervention :-) National rules, laws and policies relating to trade, commerce, Industry taxation etc, are more or less uniform within a country, but differ widely between Countries Tariff policy, Import quota System, Subsidies and other Controls adopted by a Government Interfere with the course of normal trade between it and other countries.