

Q) What is the feature of International transactions?

The International transactions is featured by the following :-

i) Territorial Specialization :-

International trade takes place, basically due to geographical specialisation. Every country specialises in the production of goods and services.

ii) International Competition :-

Producers from many countries compete with another to sell their products.

iii) Separation of Sellers from buyers :-

In International trade seller and buyer belong to different countries. They have no chance of ever meeting one another.

iv) Long term chain of Middleman :-

The procedure of International trade is very long and complex. It is very difficult for buyers and sellers to perform all the formalities themselves.

They require the services of expert of middleman such as, Import houses, foreign agents, clearing agents, foreign exchange bank etc.

v) International Rules and Regulations  
Business men, engaged in International Trade require knowledge of International laws and trade restrictions.

vi) Government Control  
The government of every country exercises control over imports and exports for national interests.

vii) Several Documents  
A large number of documents are required International Trade.