

Ans 5 • International Business :- International business means ①

Carrying of business activities beyond national boundary. These activities include normally the transactions of economic resources and international production of goods and provision of services. The broad forms of internationalisation of business are therefore, trade, technical collaboration and investment.

- In general, Companies go international because they want to grow or expand operations. The benefits of entering international markets include generating more revenue, competing for new sales, investment opportunities, diversifying, reducing costs and recruiting new talent.
- Difference between Internal trade and International trade
 - 1) Internal trade also known as domestic trade takes place within geographical boundaries of a country while international trade takes place between two or more nations.
 - 2) Internal trade is done in home currency, no foreign exchange is involved in it. While international trade is done in foreign currency.
 - 3) Generally there is no restriction on the trade within the country, but in case of international trade restrictions are imposed.
 - 4) Transportation and insurance cost is less in internal trade as compared to international trade.