

International business

International business grew over the second half of the twentieth century partly because of liberalisation of both trade & investment and partly because business internationally had become easier.

International business allows countries to expand their markets for both goods and services that otherwise may not have been available domestically.

* Why companies go international *

- (1) To expand their markets.
- (2) Make product and services available globally.
- (3) To make profit globally or internationally.
- (4) To increase foreign direct investment.

* Difference between Internal & 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 countries.
- (2) Internal trade is done in home currency, no foreign exchange is involved in it. while international trade is done in foreign currency.
- (3) Transportation and insurance cost is less in internal trade as compared to international trade.