

# Globalisation

Meaning :-

Globalisation means different things to different people. Globalisation may be defined as the integration of countries into world economy on one global market. Such integration involves of all trade barriers between countries. It is the process of internationalization of products, markets, technologies, capital, human resources, information and culture.

Definition:-

It can be defined, simply as the expansion of economic activities across political boundaries of nation states. — Deepak Nuyyan.

Globalisation is the shift towards a more integrated and interdependent world economy. Globalisation has two main components - the globalisation of market & globalisation of production — Charles V. Hill.

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## International Trade :-

\* International trade refers to the exchange of goods and services between the countries. In simple words, it means the export and imports of goods and services.

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

\* Difference between Domestic & international business :-

- (1) Transactions in international business are mostly intra-firm, apart from the inter-firm transactions where goods and raw material remain between the parent company and the subsidiary company whereas transaction in domestic business are inter-firm.
- (2) Another point of difference is the international business is typically imposes additional costs such as tariffs, time costs.
- (3) Another difference between domestic & international trade is that factors of production such as capital and labour are typically more mobile within a country than across countries.