



MUTHAYAMMAL ENGINEERING COLLEGE

(An Autonomous Institution)

(Approved by AICTE, New Delhi, Accredited by NAAC & Affiliated to Anna University)
Rasipuram - 637 408, Namakkal Dist., Tamil Nadu.



MUST KNOW CONCEPTS

MKC

MBA

2020-21

Course Code & Course Name : 19MBB09- International Business Management

Year/Sem/Sec : II/III/-

S.No.	Term	Notation (Symbol)	Concept / Definition / Meaning / Units / Equation / Expression	Units
Unit-I : Introduction				
1.	International business		International business may be defined simply as business transactions that take place across national borders.	I
2.	'GATT'		General Agreements on Trade & Tariff	I
3.	Comparative advantage		Comparative advantage is a situation in which a person or country is more efficient at producing a good in comparison with another person or	I
4.	TRIPS		Trade related aspects of Intellectual property Rights.	I
5.	International Trade		International Trade is the process of focusing the resources & objectives of an organization on global market	I
6.	Multinational Enterprise		A MNE has a worldwide approach to foreign markets and production and an integrated global philosophy encompassing both domestic and international markets	I
7.	KFS		Key factor for success	I
8.	Forms of IB		Direct Investment, Trade in services, portfolio investment	I
9.	Approaches of IB		Ethnocentric, Polycentric, Regiocentric, Geocentric	I
10.	Domestic Business		Domestic business may be defined simply as business transactions that take place within a country	I
11.	Export		a good or service produced in one country then get marketed to other country.	I

12.	Imports		a good or service brought into one country from another.	I
13.	Licensing		allows another one to use its intellectual property such as brand name, copy right, patent, technology, trademark and so on for a specific period of time.	I
14.	Franchising		Franchising is a parent company (franchiser) gives right to another company (franchisee) to do business using the franchiser's name and products in a prescribed manner.	I
15.	Strategic partnership or alliance		It is a positive aspect of the cooperation of two or more companies in different countries are joined together for mutual gain.	I
16.	FDI[Foreign Direct Investment]		It is a company's physical investment such as into the building and facilities in the foreign country, and acts as a domestic business with a full scale of activity.	I
17.	Joint Venture		A joint venture is a special type of strategic alliance, where the partners across globe collectively found a company to product goods and services.	I
18.	Drivers of International Business		Growth in market share, Higher rate of profits, Limited home market, High cost of transportation, Availability of raw materials.	I
19.	Theories of International Business		Mercantilism, Absolute Advantage, Comparative Advantage, Heckscher-Ohlin Theory, Product Life Cycle Theory, Global Strategic Rivalry Theory, National Competitive Advantage Theory.	I
20.	Mercantilism		Economic strength of a country depends on amounts of silver and gold holdings.	I
21.	Absolute Advantage		Based on notion of increasing the efficiencies in the production process.	I
22.	Comparative Advantage		A country with maximum absolute advantage in the creation of more than one product compare to other.	I
23.	Heckscher-Ohlin Theory		If the supply of product grows greater than it is in demand in the market, its price falls and vice versa.	I

24.	Product life cycle theory		Demand for a newly created product grows, the home country starts exporting it to other nations.	I
25.	Global strategy Rivalry Theory		A new firm needs to optimize a few factors that will lead the brand in overcoming all the barriers to success.	I
Unit-II : International Business Environment				
26.	Globalization		Cross border transactions in goods and services	II
27.	IMF		International Monetary Fund	II
28.	Liberalisation		Liberalization refers to relaxation(s) of government restrictions, usually in areas of social or economic policy	II
29.	Privatization		Privatization means transfer of ownership and/or management of an enterprise from the public sector to the private sector.	II
30.	International Business Environment		All the external forces working upon the firm as it goes about its affairs in foreign and domestic markets	II
31.	Political environment		It refers to the influence of the system of government and judiciary in a nation on international business.	II
32.	Legal environment		The legal system refers to the rules and laws that regulate behavior of individuals and organization.	II
33.	Cultural environment		Culture consists the thought and behavioral patterns that members of a society learn through language and other forms of symbolic interaction.	II
34.	Elements of culture		Language, Customs and manners, Attitudes, Aesthetics, Religion	II
35.	Environmental factors in International Business		Economy, Politics, Cultural differences, Social environment, Technological factors	II
36.	Reference Group		Co workers, family members, relatives, neighbours, friends, seniors at workplace often form reference groups.	II
37.	Primary Group		It consists of individuals one interacts with on a regular basis.	II

38.	Secondary Group		Secondary groups share indirect relationship with the consumer. These groups are more formal and individuals do not interact with them on a regular basis.	II
39.	Economic factors influencing consumer behavior		Personal income, Family income, income expectation, consumer credit, liquid assets	II
40.	Personal income		The personal income of an individual influences his buying behavior as it determines the level to which the amount is spent on the purchase of goods and services.	II
41.	Family income		The family income refers to the aggregate of the sum of the income of all the family members.	II
42.	Income Expectations		An Individual's expectation with respect to his income level in the future influences his buying behavior today.	II
43.	Consumer Credit		This credit is offered by the seller either directly or indirectly through the banks and other financial institutions.	II
44.	Liquid Assets		The liquid assets are the assets that are readily convertible into the cash	II
45.	Savings		The amount of savings out of the personal income also influences the consumer buying behavior.	II
46.	Technological Factors of Consumer Behaviour		Content overload is decreasing customer attention, increased consumer expectation, importance of personalized experience, brands awareness, trust & likeability	II
47.	Political factors of consumer behavior		Political factors relate to how the government intervenes in the economy. Specifically, political factors have areas including tax policy, labour law, environmental law, trade restrictions, tariffs, and political stability.	II
48.	Strategies dealing in cultural differences		Open communication, team building, cultural appreciation, scheduling and time, appropriate training.	II
49.	Globalization		The increased interconnectedness and interdependence of peoples and	II

			countries.	
50.	Cultural Globalization		It refers to the interpenetration of cultures which, as a consequence, means nations adopt principles, beliefs, and costumes of other nations	II
Unit-III : Multinational Corporation & Foreign Direct Investment				
51.	MNC		Multinational Corporations	III
52.	Multinational Corporations		A multinational corporation is one, doing business in more than one country.	III
53.	Reason for MNC		To protect themselves from the uncertainties and risks of business cycles, political policies and social uncertainties of the domestic country.	III
54.	FDI		Foreign Direct Investment	III
55.	Foreign Direct Investment		FDI refers to the purchase of a significant number of shares of a foreign company in order to gain certain degree of management control.	III
56.	RTB		Regional Trade Blocks	III
57.	Bilateral Trade Agreement		Agreements are between on two nations at a time	III
58.	Multilateral Trade Agreement		Agreement is between many nations at one time	III
59.	Unilateral Trade Agreement		A trade agreement joins two or more states in a joint commitment to expand their trade	III
60.	Plurilateral agreement		It is an agreement between more than two countries, but not a great many, which would be multilateral agreement	III
61.	Factors of MNC		Differing accounting practices, Regulations and rules, currency conversion questions, dangerous places and safety.	III
62.	Organization structure of MNC		International Division, Global Area, Global Product Division and Matrix.	III
63.	Matrix structure		A matrix organizational structure combines the efficiency of the functionally organized company with the flexibility of extensive local	III

			operations.	
64.	Decision making authority		Decision-making authority granted to managers in foreign markets.	III
65.	Departmental units		Deciding how to group employees according to their function is more complex in international operations.	III
66.	Types of MNC		Colonial companies, resource based companies, public utility companies, manufacturing companies, service institutions, licensing, turnkey project	III
67.	Colonial companies		Colonial companies are those companies which are established to procure raw materials for the parental office at native country.	III
68.	Resource Based Companies		These companies purchase raw resources from several countries. They do not believe in exploitation and purchasing of mineral resources.	III
69.	Public Utility Companies		The companies enjoy the position of natural monopoly. The multinational in public utility concerns do not remain longer because of nationalism.	III
70.	Manufacturing Companies		They produce qualitative and quantitative goods in a huge quantity. They invest adequate capital in foreign countries to get higher rate of return.	III
71.	Service Institutions		They know the service technology and provide suitable and sufficient services to the people of the countries where they are established.	III
72.	Licensing		The license is granted to exploit potential market in the host countries who pay license fees annually to the multinationals to use their know-how for a fixed period.	III
73.	Turnkey Project		Turnkey project is taken up by the multinationals to complete a specific job within a fixed period.	III
74.	Innovation Based Multinationals		Firms such as IBM, Philips and Sony create barriers to entry for others by continually introducing new products and differentiating existing ones, both domestically and internationally.	III

75.	The Mature Multinationals		It exists whenever there is an increase in the scale of production, marketing and distribution costs could be increased in order to retain the existing position or more aggressive.	III
Unit-IV : International Marketing				
76.	International marketing		firm-level marketing practices across the border	IV
77.	PLC		Product Life Cycle	IV
78.	International Pricing		Price may be defined as the exchange of goods or services in terms of money.	IV
79.	Brands		a type of product manufactured by a particular company under a particular name	IV
80.	Market intelligence		Marketing intelligence is the external data collected by a company about a specific market which it wishes to enter, to make decisions.	IV
81.	IMS		International marketing system	IV
82.	International marketing system		application of marketing principles to satisfy the varied needs and wants of different people residing across the national	IV
83.	Odd pricing		maximizing profit by making micro-adjustments in pricing structure	IV
84.	GM		Globalisation of Markets	IV
85.	Brand decision		brand strategy decisions involve brand positioning, brand name selection, brand sponsorship and brand development	IV
86.	Market entry strategies		Market entry strategy is a planned distribution and delivery method of goods or services to a new target market.	IV
87.	Waterfall model		Waterfall strategy is used by a company to introduce a product sequentially in different markets.	IV
88.	Sprinkler strategy		It is used when a company chooses to introduce a product simultaneously in multiple markets.	IV
89.	Greenfield project		It is a type of foreign direct investment (FDI) in which a parent company	IV

			creates a subsidiary in a different country, building its operations from the ground up.	
90.	Business alliance		It is an arrangement between two companies to undertake a mutually beneficial project while each retains its independence.	IV
91.	Sovereign risk		Any risk arising on chances of a government failing to make debt repayments or not honouring a loan agreement.	IV
92.	Foreign exchange risk		It refers to the losses that an international financial transaction may incur due to currency fluctuations.	IV
93.	Liquidity risk		Liquidity risk occurs when an individual investor, business, or financial institution cannot meet its short-term debt obligations.	IV
94.	Globalization		Globalization is the increase in the flow of goods, services, capital, people, and ideas across international boundaries	IV
95.	Price		Quantity of money received by the seller/Quantity of goods and services rendered received by the buyer	IV
96.	Product Life Cycle		It is an abstract model briefing how a company evolves over time and across national borders.	IV
97.	Market Intelligence		Market intelligence for international markets is generated from international trade research and personal experience.	IV
98.	Saturation stage		Competitors have begun to take a portion of the market and products will experience neither growth nor decline in sales.	IV
99.	International marketing systems		International Marketing Systems is an all-in-one sales, service, and logistics solutions provider for the e-commerce industry.	IV
100.	Types of international strategies		International, multi-domestic, global, and transnational.	IV

Unit-V : Conflict Management And Ethics In International Business Management

101.	Conflict		Conflict is actual or perceived	V
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			opposition of needs, values and interests.	
102.	Arbitration		legal technique for the resolution of disputes outside the courts,	V
103.	Conflict Management		Conflict management refers to the long-term management of intractable conflicts	V
104.	ADR		Alternative Dispute Resolution (ADR) or "Appropriate Dispute Resolution",	V
105.	Negotiation		Resolve disputes, to produce an agreement upon courses of action	V
106.	Business Ethics		principles of right or wrong governing the conduct of business people	V
107.	CARTEL		CARTEL is an agreement to restrict competition between production of the same commodity in one country or other	V
108.	SCM		Supply Chain Management	V
109.	IBM Support Center		The IBM organization responsible for software service.	V
110.	PMR		Problem Management Record.	V
111.	Sources of Conflict		Lack Of Role Clarification, Poor Processes, Communication Problems, Lack Of Performance Standards, Lack Of Resources, Unreasonable Time Constraints.	V
112.	Types of conflict		Intrapersonal, Interpersonal, Intragroup Intergroup conflict	V
113.	Intrapersonal conflict		It is conflict experienced by a single individual, when his or her own goals, values or roles diverge.	V
114.	Interpersonal conflict		It is conflict due to differences in goals, value, and styles between two or more people who are required to interact.	V
115.	Intra group conflict		It is conflict within a group or team, where members conflict over goals or procedures.	V
116.	Intergroup conflict		It is when conflict between groups inside and outside an organization disagree on various issues.	V

117.	Conflict Resolution		It is a way for two or more parties to find a peaceful solution to a disagreement among them.	V
118.	Assertiveness		A supervisor might take the initiative to convene a meeting between two employees who have engaged in a public dispute.	V
119.	Negotiation		Negotiation is the means by which negotiators can achieve objectives, build relationships, and resolve disputes.	V
120.	International negotiation		International negotiation is often a process of power-based dialogue intended to achieve certain goals or ends, and which may or may not <u>thoroughly</u> resolve a particular dispute or disputes to the satisfaction of all parties.	V
121.	Key aspects in negotiation		Communication, values, attitudes, thinking and decision-making processes.	V
122.	Types of negotiation		Principled negotiation. Team negotiation. Multiparty negotiation. Adversarial negotiation.	V
123.	Stages of negotiation		Preparation and Planning. Definition of Ground Rules. Clarification and Justification. Bargaining and Problem Solving. Closure and Implementation.	V
124.	Purpose of negotiation		To reach an agreement to participate in an activity that will result in mutual benefits.	V
125.	Importance of negotiation		The key to getting ahead in the workplace, resolving conflicts, and creating value in contracts.	V
Placement Questions				
126.	What Is A Major In International Business?		International Business Major. Includes instruction in the principles and processes of export sales, trade controls, foreign operations and related problems.	
127.	What Is The Study Of International Business?		Studying international business will provide you with insights into the global economic and business climates.	

128.	What Is Mean By International Business?		The exchange of goods and services among individuals and businesses in multiple countries.	
129.	How do you measure whether a strategy is effective?		Employers want to feel assured that their strategic goals will be successful for their business and feel like they can trust their team to help them achieve those goals.	
130.	As a strategic planning manager, what is your management style?		In my experience delegating responsibility and authority is crucial. A team needs to be able to develop and grow as individuals and a whole, not be held back by low expectations or ego.	
131.	What experience do you have with respects to this particular strategic planning manager position?		Ever since my first paper route at age 10 I've been doing something to keep myself busy and earn money.	
132.	I like what I'm hearing but we've got a ton of great candidates. Why should we hire you?		"I really need a job right now	
133.	I'm curious – how did you come to find out about our company and what do you know about us?		While your interviewer won't expect you to have in-depth company history, a little here can go a long way.	
134.	I don't expect you to go into too much detail – but why are you leaving your last job?		If your current employer is downsizing, be honest about it, remain positive, but keep it brief. If your employer fired you or let you go for cause, be prepared to give a brief – but honest – reply	
135.	What are your strengths?		<ul style="list-style-type: none"> • being a problem solver • being a motivator • being a natural leader 	
136.	What are your weaknesses?		The trick here is to respond realistically by mentioning a small, work related weakness and what you are doing or have done to overcome it.	
137.	What do you see yourself doing in five years?		Some people make job hopping a career in of itself, and your answer here can be telling	
138.	What are your salary expectations?		o some research into your industry to establish base rates of pay based on seniority and demand but keep in mind – your employer is hiring you for what they believe you are worth, and how	

			much benefit they feel you will provide.	
139.	How Would You Describe The Term 'strategic Thinking'?		A candidate should see strategic thinking as a process of learning and you turn ideas into reality by developing one's abilities in team work, problem solving, and critical thinking.	
140.	Outline In Very Broad Terms How You Would Create A Strategy For Say, A Public Interest Campaign.		clear defining of the goals and objectives of the campaign; identification of opponents; carrying out a SWOT analysis	
141.	What are the top 5 leadership skills?		<ul style="list-style-type: none"> • persuade and influence • demonstrate integrity 	
142.	What do good leaders do?		Focus on your strengths when answering strategic leadership interview questions. Go to the comprehensive list of strengths to help you identify your personal strengths at list of strengths and weaknesses	
143.	Does your organization's corporate responsibility strategy match the availability of your current resources?		This question addresses your strategy in terms of the funding, time, people, and information necessary to make the strategy work, determining its feasibility.	
144.	How often does your organization assess its strengths, weaknesses, opportunities, and threats in order to understand the current business climate?		Measuring these aspects of the strategy will help to analyze the company's current approach to strategic evaluation and reveal if it is necessary to analyze it more often.	
145.	How effectively does your organization form and make profitable use		Partnerships can be helpful assets to your company, but they must actively be sought out and well-utilized.	
146.	Where do you see yourself in 5 years time?		I would like to be working toward leading a team and gaining a qualification in my field	
147.	What key skills or experience can you bring to this job?		As well as speaking three languages, I have two years of experience in this field and a breadth of international travel experience.	

148.	What makes you stand out from other applicants?		I am a very independent individual with a strong focus on my goals and the skills and determination to make this role my own.	
149.	Tell us about a time when you worked with people from different cultural backgrounds		In my last job different cultural perspectives came into play, so our team was able to approach tasks differently. The workplace environment was also made more diverse and we were able to celebrate different cultural festivals.	
150.	Explain a time you have handled a conflict with a colleague.		This is a behavioral question, so you will need to give some background in your answer, describe how you handled the conflict, and the eventual outcome.	

Faculty Team Prepared
1. **S.K.Sendhilsabriviswanath**

Signatures

HoD

DESIGNING YOUR FUTURE

Estd : 2000