

# DBA 304

# International Business Finance



Week 1

# Why study International Business?



# Learning outcomes

Students will be able to:

- Know what is international business
- The usage of international business
- Define globalisation



# What is IB?

- IB consists of business transactions between parties from more than 1 country.

## Difference between IB and Domestic Business

- Currencies
- Legal Systems
- Cultures
- Resources availability
  - rich in natural resources; lack in skilled labour; products produced and types of product vary



# Why Study IB

- Large organizations may have international operations
- SME's getting involved in IB; growth of e-commerce
- Keep pace with future competitors
- To know latest business tools and techniques
- Understand cultural literacy and trends; Global learning



# IB Activities

## Exporting and Importing

-Historically, IB first took this form

Export – out; Import – in

- visible and invisible trade (UK);  
merchandise and service exports and  
imports

# IB Activities

## International Investments

- Capital supplied by residents of 1 country to another

Divided into 2 categories:

### Foreign direct investments (FDI)

- Control property and assets, HQ-home country to host

### Portfolio investments (stocks, bonds)

