

DBA 304

# International Business Finance



Week 2

# Other Forms of IB Activities

- Licensing
  - patents, trademarks, brands with royalty payments: Mickey logos
- Franchising
  - special form of licensing: the os, brand names, trademarks with royalty payments - McDonald's
- Management contract
  - agreement to operate facilities for an agreed fee: Hilton



# Other Forms of IB Activities

- Multinational Corporations - extensive involvement in IB
  - buy from and sell to varieties of countries
- Multinational Enterprises
- Multinational Organizations: non-profit and profit organizations

# Exhibit 1.1 – The Largest Companies in the World

2003 Rank									Profit	
Fortune Global 500 Rank (Revenues)	BusinessWeek Global 1000 (Market Value)	Company Name	Main Industry	Headquarters Country	Revenues \$ million	Market Value \$ billion	\$ million	Rank		
1	5	Wal-Mart	General Merchandisers	USA	246,525.0	232.22	8,039.0	8		
2	184	General Motors	Motor Vehicles & Parts	USA	186,763.0	19.81	1,736.0	>50		
3	3	Exxon Mobil	Petroleum	USA	182,466.0	244.93	11,460.0	3		
4	8	Royal Dutch/Shell Group	Petroleum	UK/Netherlands	179,431.0	158.48	9,419.0	5		
5	9	BP	Petroleum	UK	178,721.0	153.24	6,845.0	12		
6	194	Ford Motor	Motor Vehicles & Parts	USA	163,871.0	19.22	(980.0)	>50		
7	115	DaimlerChrysler	Motor Vehicles & Parts	Germany/USA	141,421.1	31.86	4,460.6	27		
8	26	Toyota Motor	Motor Vehicles & Parts	USA	131,754.2	86.32	7,752.7	10		
9	1	General Electric	Diversified Financial	USA	131,698.0	286.10	14,118.0	2		
10	156	Mitsubishi	Trading	Japan	109,386.1	23.19	494.6	>50		
11	538	Mitsui	Trading	Japan	108,630.7	7.31	255.5	>50		
12	123	Allianz	Insurance	Germany	101,930.2	29.61	(1,103.3)	>50		
13	6	Citigroup	Finance	USA	100,789.0	210.86	15,276.0	1		
14	24	Total	Petroleum	France	96,944.9	103.78	5,616.8	19		
15	36	ChevronTexaco	Petroleum	USA	92,043.0	75.79	1,132.0	>50		
16	60	NTT	Telecom	Japan	89,644.0	55.58	1,915.1	>50		
17	108	ING Group	Insurance	Netherlands	88,102.3	32.41	4,254.5	>50		
18	NA	Itochu	Telecommunications	Japan	85,856.4	NA	164.8	>50		
19	11	IBM	Computers, Office Equipment	USA	83,132.0	148.80	3,579.0	41		
20	263	Volkswagen	Motor Vehicles & Parts	Germany	82,203.7	14.23	2,443.0	>50		
21	78	Siemens	Electronics	Germany	77,205.2	42.20	2,386.5	>50		
22	870	Sumitomo	Trading	Japan	75,745.2	4.14	232.1	>50		
23	NA	Marubeni	General Merchandisers	Japan	72,164.8	NA	248.8	>50		
24	25	Verizon	Telecom	USA	67,625.0	103.55	4,079.0	34		
25	10	American Intl. Group	Insurance	USA	67,482.0	150.97	5,518.9	20		
26	284	Hitachi	Electronics	Japan	67,228.0	13.12	228.7	>50		
27	NA	U.S. Postal Service	Mail, Package, Freight Delivery	USA	66,463.0	NA	(676.0)	>50		
28	100	Honda Motor	Motor Vehicles & Parts	Japan	65,420.4	35.11	3,501.5	43		
29	113	Carrefour	Food & Drug Stores	USA	64,978.6	32.07	1,299.1	>50		
30	28	Altria Group	Tobacco	France	62,182.0	85.43	11,102.0	4		

Sources: Adapted from; BusinessWeek Online 2003; Forbes 2003 and Fortune 2003.