

# 12 Lecture - MGT211

## Important Subjective

- 1. What is foreign trade and why is it important for the global economy?**  
Answer: Foreign trade refers to the exchange of goods and services between countries. It is important for the global economy because it provides opportunities for businesses to expand their markets, increase profits, and access new technologies and resources.
- 2. What are the different modes of foreign trade?**  
Answer: The different modes of foreign trade include exporting, importing, licensing, franchising, and foreign direct investment (FDI).
- 3. What are the benefits of foreign trade?**  
Answer: The benefits of foreign trade include increased competition, access to new markets, economic growth, job creation, and technological advancements.
- 4. What is meant by the term "balance of trade"?**  
Answer: The balance of trade refers to the difference between a country's total exports and imports.
- 5. What is a trade deficit?**  
Answer: A trade deficit occurs when a country imports more than it exports.
- 6. What is meant by the term "trade protectionism"?**  
Answer: Trade protectionism refers to the use of policies such as tariffs and import quotas to restrict imports and protect domestic industries.
- 7. What is foreign direct investment (FDI)?**  
Answer: Foreign direct investment (FDI) refers to the investment in foreign companies, either through the acquisition of a foreign company or the establishment of a new foreign subsidiary.
- 8. What are the benefits and risks associated with foreign direct investment (FDI)?**  
Answer: The benefits of FDI include access to new markets, increased profits, and access to new technologies and resources. The risks include political instability, economic uncertainty, and cultural differences.
- 9. What is meant by the term "foreign business"?**  
Answer: Foreign business refers to the operations and activities of businesses that operate in countries other than their home country.
- 10. What are the challenges and opportunities associated with foreign business?**  
Answer: The challenges of foreign business include cultural differences, legal and regulatory issues, and political instability. The opportunities include access to new markets, increased profits, and access to new technologies and resources.