



International Business

Chapter 6 Importing, Exporting, and Trade Relations

(a) balance of payments, (b) bill of lading, (c) certificate of origin, (d) cost and freight (C&F), (f) cost insurance, and freight (CIF), (g) countertrade, (h) customs officials, (i) direct barter, (j) economic community, (k) free on board (FOB), (l) free-trade zone, (m) freight forwarder, (n) industry, (o) monopoly (p) monopolistic competition, (q) oligopoly, (r) pure competition (s) trade deficit,

1. _____ Government officials who collect duties levied by a country on imports.
2. _____ A company that arranges for the shipping of goods to customers in other countries.
3. _____ The direct exchange of products or services among companies in different countries with the possibility of limited currency exchange.
4. _____ Control of an industry by a few large companies.
5. _____ A document that records the agreement between the exporter and the transportation company.
6. _____ The total flow of money coming into a country minus the total flow going out..
7. _____ A market situation with many sellers who each have a slightly different product.
8. _____ An organization of countries that acts as a single country to allow a free flow of products across borders.
9. _____ Terms of sale that mean the price of the product includes the cost of loading the goods onto transport vessels at a specified place.
10. _____ An area designated by a government for duty-free entry of nonprohibited goods.
11. _____ A situation in which one seller controls the market for a product or service.
12. _____ The exchange of goods and services between two parties with no money involved.
13. _____ A group of companies in the same type of business
14. _____ A document that states the country in which goods being shipped were produced..
15. _____ A market situation with many sellers each offering the same product.

16. _____ The amount a country owes to other countries due to importing more than is exported.

Reviewing your Reading

1. What are the main reasons companies import goods?
2. What is the purpose of the customs department of a country's government?
3. How can exporting companies determine if their products can be sold in other countries?
4. How does a freight forwarder assist exporting businesses?
5. What two documents are commonly required when goods are shipped to other countries? Describe the documents.
6. How does a country's balance of payments differ from its balance of trade?
7. How can a trade deficit affect a country's economy?
8. What are the main benefits sought by nations when they create an economic community?
9. Why is countertrade used in international business?
10. What are the main factors that affect how much competition exists among companies?
11. How does pure competition differ from monopolistic competition?
12. Why are there few true monopolies in the United States?

