Seminar 2

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1. In the foreign exchange market, sellers and buyers are involved in selling and buying of currencies of foreign countries. It is also known as FOREX. It is global network of currency exchange. The primary functions of the foreign exchange market are following

* Transfer Function: this is the most rudimentary and noticeable function in FOREX, which enables the transfer of foreign currency from one country to the other currency. The conversion of currency lies in this function.
* Credit Function: this function offers a short-term credit to the traders in order to entertain the smooth flow of services and flow from one country to another country.
* Hedging Function: this function is used to evade the risks in foreign exchange. In foreign exchange, there might be a fear of fraud, losses, and fluctuations. To remove these fears hedging function is used (Madura, 2014).

1. The exchange rate is the value of foreign currency in units of national money or, under a substitute definition, the value or price of domestic currency in units of foreign currency. It is of central significance because every time national populaces desire to buy something overseas, they must exchange domestic currency for foreign currency, and every time foreigners want to buy domestic goods they must exchange foreign currency for domestic currency.
2. The general terminology environment discusses the central environment in which a firm functions. This idea comprises of a comprehensive range of elements that might impact business. It also includes geographic location, legislation, skill, philosophy, and the monetary status of the global atmosphere.
3. The IMF provides the financial help to the needed countries. The IMF offers advice on maintaining and reviving financial stability. Moreover, IMF also provides recommendations to renovate the financial system of the world (Madura, 2014).
4. The crucial and significant drivers of globalization in business might include

International Trade: this driver appreciates and strengthens the interdependence amongst nations. It is quite hard for the nation to be independent. In order to maintain certain standards, a country must progress in importing goods, capital and other services.

International Investment: it improves the economic integration. Many nations have appreciated this to avail the advantages of investment that are made internationally.

Technological Advancement: it drives globalization by sorting it relaxing and soother for individuals, ideas and goods to shift across borders.

**References**

Madura, J. (2014). *Financial markets and institutions*. Nelson Education.