

GEB 3373
InternationalBusiness
Fall 2010

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Office Hours: The two periods after the course meets.

Prerequisites: MAN 3025 Principles of Management
MAR 3023 Principles of Marketing
FIN 3403 Business Finance

Textbook: *InternationalBusiness*, 12th edition, by Daniels, Radebaugh, and Sullivan

Other Required Course Materials: On the class website I have or will post the syllabus, the powerpoint slides for all chapters we will cover, a set of 7 videos, and other supplementary readings and materials.

Suggested Supplemental Materials: *The Wall Street Journal*, *Financial Times*, *The Economist*, and other sources of current news about international business. You are also encouraged to visit appropriate web sites with equivalent current content.

Objectives: We live in a global economy in which businesses must understand not only their own home country market and competitors, but also markets and competitors from many other countries. Going global implies that managers of such companies need to understand the culture and ways of doing business in other parts of the world and appreciate how operations spanning several or many countries “fit together” into a single multinational enterprise (MNE). This course is designed to expose you to:

- the business environments (culture, politics, law, and economics) one encounters in other parts of the world,
- tools and skills necessary to analyze the potential of other countries as locations for production, distribution, and marketing,
- how managing and integrating international operations in many parts of the world differs from the purely domestic focus of many business courses, and
- the broad perspective required of successful managers working in international business.

Assurance of Learning: The BSBA/BABA Learning Goal that applies most directly to this course is goal 5: “**Possess a global perspective on business**” The two learning objectives associated with this learning goal (on which you will be tested and required to demonstrate competency) are:

- 5A. Describe the key components of the business environment that vary across countries and understand how these differences present challenges/opportunities for the conduct of business, and
- 5B. Possess awareness of cultural differences and how these differences affect best practices and ethical responsibilities.

Exams and Quizzes: There will be three evening exams plus a final exam. Additionally, there will be a total of 7 modular quizzes to be taken online. I will assign at least one case study from each module, and you are responsible for completing a graded online case discussion for two of these cases (your choice). We will also have a video during each module and you are responsible for completing a graded online discussion for two of these videos. The exams and quizzes will all be in the multiple choice format and the exams and final will be graded using the scantron system. The points for each of these activities are as follows:

3 Midterm exams at 15 points each	45 points
1 Final exam	24
7 Modular quizzes at 3 points each	21
2 online graded case discussions at 2 points each	4
2 video discussions at 2 points each	<u>4</u>
Total Points	100 points

The following grading scale will be used to translate from numerical point totals into letter grades:

A	93.34 and up
A-	90 to 93.33
B+	86.68 to 89.99
B	83.34 to 86.67
B-	80 to 83.33
C+	76.68 to 79.99
C	73.34 to 76.67
C-	70 to 73.33
D+	66.68 to 69.99
D	63.34 to 66.67
D-	60 to 63.33
E	less than 60

Please note that I ***do not round*** final course scores before assigning a letter grade: if your final average is 89.999999999999, you will get a B+.

More information on UF grading policies for assigning grade points from the undergraduate catalog web page at <http://www.registrar.ufl.edu/catalog/policies/regulationgrades.html>.

Make-up Exams: There will be NO make-up exams. If you miss one of the exams *with a valid excuse* (serious illness or injury), then the final exam will be weighted 15 points higher for each midterm you miss (assuming you have valid excuses). I encourage you NOT to miss a midterm exam because I do not believe it to be in your best academic interest. If you miss the final exam and you have a valid excuse, you will be required to take the regular final exam given at the end of the next term. If you do not have a valid excuse the final will be weighted into your average at a grade of zero.

Students with Disabilities: “Students requesting classroom accommodation must first register with the Dean of Students Office. The Dean of Students Office will provide documentation to the student who must then provide this documentation to the Instructor when requesting accommodation.”

Tentative Outline

Week 1 (Aug 23-26) Module 1: Globalization

- What is the difference between a purely domestic focus and an international or global focus?
- What is the difference between international business and global business?
- Why are companies interested in going beyond the domestic borders?
- Why is it easier now to look abroad than it was in the past?
- Why is it now more fraught with danger to go abroad than it was in the past?
- Why are some countries alarmed about foreign companies entering their market?
- How would a company enter a foreign market?

Assignment: Textbook, Chapter 1

Case Study: Carnival Cruise Lines (p 27)

Video: Business is Blooming: The International Floral Industry

Module 1 Online quiz

Week 2 (Aug 30-Sep2) Module 2: Theoretical Justifications for International Commercial Transactions.

Macro-level theories of why countries trade

- Mercantilism / Neomercantilism
- Absolute Advantage (Adam Smith)
- Comparative Advantage (David Ricardo)
- Factor Mobility

Micro-level theories of why companies trade

- Product Life Cycle theories (Raymond Vernon)
- Porter Diamond
- Internalization

Assignment: Textbook, Chapters 6 and 7

Case Study: LUKOil (p257)

Week 3 (Sep 6-9)

Module 2: International Organizations and Structures Designed to Facilitate International Commercial Cooperation

- International Alliances
- Regional Alliances
- Cartels
- Government attempts to carve out exceptions to these alliances for domestic policy purposes
- The role of the World Trade Organization and Development Banks

Assignment: Textbook, Chapter 8

Case Study: Wal-Mart Goes South (p325)

Video: Harsh Reality: Mexico's NAFTA Problem

Module 2 Online Quiz

Week 4 (Sep 13-16)

Module 3: National Differences that Challenge Foreign Integration: The Cultural Environment

- Culture as the defining characteristic of a nation
- Cultural Models of a nation that relate to business practices
- Motivating employees
- Organizing principles

Assignment: Textbook, Chapter 2

Case Study: Charles Martin in Uganda: What to do when a manager goes native (p96)

Midterm Exam 1

Week 5 (Sep 20-23)

Module 3: National Differences that Challenge Foreign Integration: The Political and Legal Environments

- Political Ideology
- Political Risk
- Types of Legal Systems
- Establishing the Rule of Law

- Operational and Strategic Concerns
- Intellectual Property Rights

Assignment: Textbook, Chapter 3
Video: China's Convenience Store War

Week 6 (Sep 27-30) Module 3: National Differences that Challenge Foreign Integration: The Economic Environment

- Economic Characteristics of a country
- The Balance of Payments
- Types of Economic Systems
- Transitioning to a Market Economy

Assignment: Textbook, Chapter 4
Case: Meet the BRICs (p176)
Video: Russia: Rebuilding a Nation
Module 3 Online Quiz

Week 7 (Oct 4-7) Module 4: World Financial Environment: Global Foreign Exchange Markets

- Foreign Exchange instruments and markets
- Global money and capital markets
- How companies use foreign exchange

Assignment: Textbook, Chapter 9
Case: Banking on Argentina (p356)

Week 8 (Oct 11-14) Module 4: World Financial Environment: The Determination of Exchange Rates

- How exchange rates are determined and forecasted
- Theoretical parity conditions
- Balance of Payments concepts
- Asset market concepts

Assignment: Textbook, Chapter 10
Module 4 Online quiz

Week 9 (Oct 18-21) Module 4: World Financial Environment: The Determination of Exchange Rates

- Why exchange rate changes are important for companies
 - Marketing

- Production
- Financial

Assignment: Textbook, Chapter 10

Case: The Chinese Yuan: Be careful of the Dragon's Tail (p396)

Video: Addicted to Cheap Shopping? Why the Real Cost of Goods Keeps Going Down

Midterm Exam 2

Week 10 (Oct 25-28) Module 5: International Business Strategy

- The Industrial Organization of International Business
- The Enterprise as a Value Chain
- Organizational Models for International Business

Assignment: Textbook, Chapter 11

Case: The Globalization of eBay

Week 11 (Nov 1-4) Module 5: International Business Strategy: Structuring the Global Enterprise

- Where to produce
- How to produce
- Where to sell
- How to sell
- Choosing the best strategy to go abroad
- How to manage the global operation effectively

Assignment: Textbook, Chapter 12

Case: FDI in South Africa (p479)

Video: Turkey's Tigers: Integrating Islam and Corporate Culture

Module 5 Online Quiz

Week 12 (Nov 8-11) Module 6: Serving Foreign Markets: Export and Import Strategies

- Strategic Considerations
- Import and Export Strategies
- Documentation

Assignment Textbook, Chapter 13

Week 13 (Nov 15-18) Module 6: Serving Foreign Markets: Direct Investments and Collaboration

- Why Shift from exporting/importing to Foreign Direct Investment
- How to Implement Foreign Direct Investment
- How to Evaluate Foreign Direct Investment

Assignment: Textbook, Chapter 14

Midterm Exam 3

Week 14 (Nov 22-24) Module 6: Serving Foreign Markets: Collaborative Arrangements

- Go it alone or find a partner?
- How to decide which alliance is best

Assignment: Textbook, Chapter 14

Case: Getting Airline Alliances off the Ground

Module 6 Online Quiz

Week 15 (Nov 29-Dec 2) Module 7: Globalization and Society

- How does Foreign Direct Investment impact host countries?
- Is Corporate Social Responsibility (CSR) a bunch of hokum, or is there something to it?
- Does an MNE have a developmental responsibility in emerging markets?

Assignment: Textbook, Chapter 5

Case: Anglo American PLC in South Africa: What do you do when costs reach epidemic proportions?

Video: Fair Trade, Fair Profit: Making Green Enterprise Work

Week 16 (Dec 6-8) Module 7: Globalization and Society: Ethics and Responsibility

- Who should care about ethics?
- Legal and Cultural Foundations of Ethical Behavior
- Foreign Corrupt Practices Act
- Is “sustainability” nothing more than the latest “buzz word?”
- Do we need a Code of Conduct?

Assignment: Textbook, Chapter 5

Module 7 Online Quiz

Dec 11, 13-17

Final Exam