

**BUSINESS IN THE INTERNATIONAL ECONOMY
MBA 616.01**

**The Bryan School of Business and Economics
The University of North Carolina at Greensboro
Spring 2004**

W: 6:30 - 9:20

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Course Description

The Introduction to International Business course is designed to assist students in understanding the global environment in which international business takes place, as well as the role and behavior of the international firm as it responds to the environment. The course aims to provide students with the knowledge, skills and sensitivities that help them manage business operations more proactively in the turbulent international environment. This will be achieved through lectures, class discussions, and cases. Because this course is a combination of lectures and business cases, strong student participation in the class discussion is required.

Course Learning Objectives

1. Define international business and discuss how it differs from domestic business.
2. Define and discuss key terms and concepts related to international business.
3. Acquire a basic understanding of the structure of the global economy and the perspectives of various actors in the global economy.
4. Make well-reasoned suggestions about how to address many of the challenges and opportunities likely to arise in international business. For example, students would be expected to knowledgeably discuss the pros and cons of particular ways of entering national markets, of managing foreign exchange risk, and of selecting members for cross-cultural teams. Other issues students will be expected to learn about are outlined in this syllabus and will be addressed as the course progresses.
5. Knowledgeably discuss some of the key public policy, ethical, and environmental issues that are typically connected to international business.
6. In addition, by following through on course requirements you will have improved your written and oral communication skills and your ability to work in teams. You will also have opportunities to become more proficient in using the Internet for research.

Prerequisites

Organizational Behavior 604; Financial Management 605; Marketing Management 606; Operation Function 607 or Permission of Instructor.

Required Text and Materials

- 1) International Business: Environments and Operations Daniels / Radebaugh 10th edition
- 2) Case Packet

Class Procedures

The content of this course will be conveyed through a mix of lectures, discussions, and cases. Each approach in the mix is designed to develop and elaborate on the content of the assigned readings. Class meetings will encourage student participation. As such, students are expected:

- to knowledgeably discuss the assigned readings
- to raise questions they may have about assigned readings
- to participate in the class and case discussions

You will be required to study the assigned readings and to present your analysis and insights to other members of the class. I do expect students to show a good grasp of the concepts and issues addressed in this course and their relevance to managers of international businesses. To that end, it would be advisable to take notes in class, but, in your reading and in the lectures and discussions try to concentrate on issues, trends and relationships rather than on memorizing definitions and statistics.

Grading Breakdown

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|--|------|
| 1. Class Participation (including case quizzes) | 20 % |
| 2. Case presentation & Written Report (in teams) | 15 % |
| 3. Company Report and Presentation (in teams) | 25 % |
| 4. Final Exam | 40 % |
| <hr/> | |
| Total | 100% |

Grading Scale

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|--------------|----|--------------|-------------|--------------|
| A (90 - 100) | => | A = 94 - 100 | A- =90-93 | |
| B (80 - 90) | => | B+ = 87-98 | B = 83-86 | B-=80-82 |
| C (70 - 79) | => | C+ = 77-79 | C = 73 - 76 | C- = 70 - 72 |
| D (66 - 69) | => | D | | |
| F (0 - 63) | => | F | | |

Final grades for the course **will neither be posted on the door of the professor's office nor will they be sent by e-mail.** Final grades can be obtained through the UNCG *Pipeline* or *uncGenie* immediately the grades are posted to the UNCG Web site or sent to the Registrar's Office.

1. Class Attendance

Attendance matters! Each student gets up to three missed classes per semester with no questions asked and no penalty to their grade. The fourth missed class will reduce a student's overall course grade by 1%, the fifth by 2%, the sixth by 5% (all cumulative, so that missing six classes results in a 8% drop in the student's course grade). More than six missed classes will result in a severe drop in a student's course grade and consultations with the student about dropping them from the course for non-attendance.

2. Participation in Class Discussion

Due to the central role of case analyses and discussions, the class depends heavily on student participation for maximum effectiveness. Therefore, **class participation is essential and constitutes a significant portion of your final grade**. Students should review the assigned materials (chapter readings, cases and articles) before coming to class and be prepared to discuss the major themes. Class participation grade will be based on the **quality of contributions** to the class discussions including questions addressed to the instructor.

3. Case Presentation/Written Report: Because international management is a multidimensional challenge, we will make extensive use of case studies during the course. Each case will be presented by a team that consists of 3 to 5 members. The team presentation will be 30 minutes in length and every member in the team should participate in the presentation. After presentation, the team has to submit the written report on the case it analyzed and presented. **Written reports are due at the beginning of the day the case is presented in class**

Format: The written report on case analysis will be 7 pages long at a maximum, not including the cover and the table of contents page, with 1 inch margins at top and bottom, 1.25 inch margins at the sides, 12-point type of Times-Roman or equivalent font, and double spaced. You may include up to three exhibits as additional pages. Each exhibit must be referenced in the text.

Content: Many of you may not be familiar with case analysis, so the following comments are offered as a guide.

1. **Identify the problem:** identify a particular challenge presented in the case and address your comments to a particular problem. This is an important step. The value of the remainder of your analysis hinges on identifying an important problem.
2. **Offer alternatives/solutions to the problem:** draw from the case a set of feasible solutions. This step helps to limit your analysis to a finite set of choices.
3. **Develop criteria for selecting the best solutions/alternatives:** from the case material, state your approach to solving the problem. What are the relevant considerations? How do you choose among the alternative solutions? This step allows you to demonstrate your ability to critically analyze the solution.
4. **Apply the criteria to the offered solutions:** in a straightforward manner, develop a ranking of the offered solutions.
5. **Make your recommendation:** your ranking will reveal a first best solution. State what conditions your solution depends on, and perhaps offer comments as to how this solution can be implemented.

Grading: case presentations and written reports will be graded on a 100-point scale. More points will be given to case analyses that demonstrated an understanding of a fundamental challenge in the case, and present a persuasive argument for your proposed solution.

Quiz: There will be **quizzes** before case presentation to check that students read the cases.

4. Company Report and Presentation

The company project is intended to provide a vehicle for developing a deeper appreciation of how practicing managers deal with the sorts of international business challenges covered in *Business in the international economy* from the perspective of a particular company. Working in groups of three to five members, students are to prepare a report and make a presentation on an on-going international management initiative related to the content of this course. Both the report and the presentation will be evaluated in determining a grade for the project. The report must include the following:

- 1) A description of the international business initiative including a summary of the company's stated reasons and expectations for undertaking it (20%);
- 2) A prediction regarding how successful the initiative is likely to be in the medium term based on the group's assessment of both the soundness of the decision itself and the effectiveness of its implementation (50%)
- 3) A set of five key lessons drawn from the group's examination of its company's actions and performance that would be generally applicable to firms undertaking a similar international initiative (30%)

While firms may be located in any country in the world, groups should ensure that sufficient data is available in the public domain to permit a thorough examination of the international initiative before making their final selections. Although the background research for the report is to include field work, groups should note that relying solely on company contacts can sometimes leave them having to work with incomplete and/or biased information.

Projects will be approved on the basis of a typed 1-2 page proposal which must identify group membership, briefly describe the business initiative to be studied and indicate the key sources of information to be referenced using standard bibliographic form. This assignment can be done in conjunction with projects in other courses as long as the overlap is limited to the description of factual material. Teams pursuing this option must state they are doing so in their initial proposal and include copies of the other report (s) when submitting their report for this course. Proposals are due by Wednesday, February ---. One group per company is permitted.

5. Grade Appeals

I grade on my best estimate of the student's understanding of the underlying issues to be addressed for any given assignment or exam question. Although I do my best, sometimes I make

mistakes. Should a student feel a grade does not accurately reflect their level of understanding of the relevant material, they are free to consult with me. If I realize I have been unduly harsh, then I (of course) will adjust the student's grade upwards. Please be warned that I tend to give students the benefit of any doubt I have when grading. Not infrequently, when students appeal to have their grade increased it becomes obvious that their level of understanding is *lower* than their current grade reflects. When that happens, I lower their grade.

Closing Note: The timetable and any other sections of this syllabus are subject to change and improvement as the course unfolds.

MBA 616. 01 Course Schedule (Spring 2004)

| Week | Date | Topic | Text Reading |
|------|---------|---|--|
| 1 | Jan. 14 | Course Introduction | |
| 2 | Jan. 21 | (I) International Trade Environment | Chapter 5: International Trade Theory - Absolute/Comparative advantage (*you are required to know the general concept rather than the formula to calculate comparative advantage) - Factor-proportions theory - The product life cycle of trade - The Porter Diamond Model |
| 3 | Jan 28 | (I) International Trade Environment | Chapter 6: Governmental Influence on Trade (Protectionism) - National defense argument - Infant Industry Argument - Low-wage argument (Maintenance of existing jobs) Article: Who IS US |
| 4 | Feb 4 | (I) International Trade Environment | Chapter 7: Regional Economic Integration & Cooperative Agreements - The different levels of integration between nations |
| 5 | Feb 11 | (II) Int'l Financial Environment | Exchange Rate Terminology (Exchange Rate, Appreciation/Depreciation) – Bring a calculator! |
| 6 | Feb 18 | (II) Int'l Financial Environment | Chapter 10. The Determination of Exchange Rate Case: Managing the U.S. Dollar in the 1980s – Bring a calculator! |
| 7 | Feb 25 | (III) Int'l Financial Environment | Chapter 10. The Determination of Exchange Rate Case: Managing the U.S. Dollar in the 1980s – Bring a calculator! Proposals for a company report are due. |
| 8 | Mar 3 | Entering International Market | Chapter 8: Factor Mobility and Foreign Direct Investment - FDI and control - Companies' motives for FDI |

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| 9 | Mar 10 | Spring Break | |
| 10 | Mar 17 | Market Entry: Export | <ul style="list-style-type: none"> • Case 1: Neilson International in Mexico (A) – Group presentation • Case 2: Cambridge Products Inc. (A) – Group presentation |
| 11 | Mar 24 | Market Entry: Licensing | <ul style="list-style-type: none"> • Case 3: Cameron Auto Parts (A) – Group presentation |
| 12 | Mar 31 | Market Entry: FDI (Foreign Direct Investment) | <ul style="list-style-type: none"> • Case 4: Panda Furniture (A/B) – Group presentation |
| 13 | Apr 7 | Market Entry: FDI (Joint Venture) | <ul style="list-style-type: none"> • Case 5: Wil-Mor Technologies – Group presentation • Case 6: Samsung China: The Introduction of Color TV – Group presentation |
| 14 | Apr 14 | Management of Multinational Corporation | <ul style="list-style-type: none"> • Case 7: BRL Hardy Globalizing an Australian Wine Company – Group presentation • Case 8: Global Enterprise Inc. – Group presentation |
| 15 | Apr 21 | Company Report & Presentation | |
| 16 | Apr 28 | Company Report & Presentation Take-Home Exam | <ul style="list-style-type: none"> • Case: Nestle Breakfast Cereal (A&B) |