

**NEW JERSEY INSTITUTE OF TECHNOLOGY
SCHOOL OF MANAGEMENT**

Course Title: International Business Course Number: MGMT 491-101

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Office Hours: By appointment

Class Schedule: Wednesday 6:00pm to 9:05pm

Room: CKB212

Course Materials: Text – International Business 10th Ed. [Charles Hill] plus handouts and materials on Moodle.

Course Description: International Business is an advanced level course designed for students who have taken prerequisites: MGMT 190 or 390, FIN 315, ECON 266 or 201. Students should possess a basic understanding of the activities in international business providing a framework for understanding them from the perspective of a company manager. The course covers international trade, multinational enterprises, foreign exchange, foreign direct investment, international financial institutions, barriers to international trade, accounting of taxation, industrial relations, multinational enterprise, and world order. ***It is assumed students understand basic finance and economic principles.***

The course introduces students to the *international* aspects of various business concepts such as accounting, marketing and strategy in an integrated manner. The curriculum includes (1) an overview of the means of conducting international business, with an emphasis on what makes international different from domestic; (2) the effects of the social systems within countries on the conduct of international business; (3) the major theories explaining international business transactions and the institutions influencing those activities; (4) the financial exchange systems and institutions that measure and facilitate international transactions; (5) the dynamic interface between countries and companies attempting to conduct foreign business activities; (6) corporate strategy alternatives for global operations; and (7) international activities that fall largely within functional disciplines.

Case studies are used throughout the course to illustrate certain concepts and to reflect the integration in a global context of various managerial principles and functional disciplines. The cases require students to examine diverse situations across a variety of firms by industry, size and geography with a variety of outcomes in terms of business success. Students will see that making business decisions in different cultural and national environments is not easy and will frequently have different impacts depending on the competitive context. Since the course meets only once a week, students need to work independently to keep pace with the assignments. Course participation requires

not just knowledge of the material and participating in class, but also critical and creative thought regarding applying this knowledge within specific situations.

Course Policies: Students are expected to be fully prepared to discuss the course material during class and participate in on-line forums. Assignments are expected to be turned in on-time according to the syllabus.

Course Deliverables:

Assignments

Exams

Case Studies

Presentations

Responses to various case presentations

Grading:

Assignments are graded on the following criteria: meeting the core objective, completeness, understandability, accuracy and spelling/grammar. Assignments are weighted in order of importance with the midterm and final being weighted at least 60% or more of the final grade.

INTERNATIONAL BUSINESS

The course combines history, theory, and casework to provide an integrated perspective regarding the problems and opportunities of competing in the international environment. Its focus is on the enormous and continuing changes in international business over the past sixty years and their impact on companies and countries.

Time will be spent assessing macroeconomic and geopolitical factors governing the international business environment. The course will also address the managerial implications of the material discussed.

Although many of the casework involves Western corporations, the course will also look at alternative models to traditional corporate organization in terms of firm structure, managerial behavior, and competitive strategies to show the importance of understanding and analyzing the international competitive environment from a flexible as well as a global perspective.

Topics covered:

1. Beginning with the observable facts of globalization, international brands, and cultural differences, the class will examine how and why the same product may be sold differently in one national or regional environment than another and how this affects firm organization.

2. Still, to provide a common framework and basis for analyzing competitive advantage in these different situations, the theory of trade and its relationship to foreign direct investment (FDI) will be assessed. Beginning with a relatively simple case, the analysis will become more complex and dynamic as the course evolves and cases of international sourcing and marketing are addressed.

3. This analysis leads naturally to an examination of how changes in the competitiveness of countries, industries, and companies occur and the relationship between such competitive shifts and the success or failure of specific firm policies and strategies.

4. Because multinationals are the major actors and instruments of many of these changes in the international business environment, most of the cases studied will be based on their experiences, though we shall see that smaller firms also are involved in and impacted by international business. In certain situations foreign economic factors such as governments, corporations and markets as well as particular events can impact even domestic business and vice versa. Therefore, all businesses must take into account changes in the global environment and their direct and indirect impacts on competition and competitiveness.

5. As cost and price are closely intertwined with competitiveness, international money and financial markets are also a key aspect of international business due to foreign exchange effects. It is therefore important that students gain some understanding of global capital movements, money market fluctuations, derivatives, hedging and speculation.

6. We will study the critical role of governments in international business through a variety of policies and actions that directly and indirectly define and effect the international business environment and global finance. We will spend time examining such policies and actions in a variety of countries and business contexts to gain a fuller appreciation of why such policies are taken and their likely influence on business in different situations. It is important in that students have completed the readings and to have prepared questions for class. We will also be utilizing Moodle to post student comments and to have discussions during the week based on various course materials.

The lectures, PowerPoint slides and discussion are supplementary to the readings and not a substitute. Individual and Team (if applicable) assignments will be posted on Moodle.

Since doing the readings and class attendance are critical to effective class interaction, it is important everyone is prepared to participate.

7. Students are encouraged to bring in newspaper or magazine articles to class for discussion that seem relevant to that week's topic or to the course in general. Reading of *The Wall Street Journal* on a regular basis will be especially helpful in dealing with issues of current interest to this class.

In addition, students should try especially in the current environment to gain some knowledge of major institutions, political issues, and financial risks of international business by reading business magazines such as Fortune or business related articles in major newspapers. Student presentations or papers should be analytical rather than merely descriptive in content and approach. Generally, in preparing presentations it is best to consider answering questions such as why, how, and what happened with respect to a specific and relatively narrowly defined business situation that the case is addressing.

8. Individual project presentations or papers will be scheduled during the semester. Additional assessment activities, such as quizzes, more exams, questions and research exercises might also be added to this draft syllabus.

In analyzing the problem or case study, you will be asked to understand and explain an item or concept found in the text and discuss its relation to or effect on international business from the perspective of a business manager working in a firm or industry discussed in the text. A good analysis is one clearly identifying the principle aspects and importance of the concept, person or entity and then specifies its impact or relation to the specific firm and/or industry and its competitive situation. Further details and instructions will be provided during class and posted on Moodle.

Learning Goals & Learning Outcomes:

Learning Goal 1: Analytical & Problem Solving Skills

Demonstrates knowledge of business concepts and the ability to apply these concepts to solve business problems in an international context.

Ability to use quantitative methodologies as tools to help understand business problems.

Learning Goal 2: Information & Communication Skills

(Written Communication & Information Literacy) - Ability to write clear and concise answers to problems and case summaries.

Learning Goal 3: Globalization

Understanding the global context in which business is conducted

Learning Goal 4: Ethical Reasoning

Understand the moral implications and ethical schema of individual and organizational decisions and actions in an international environment.

Learning Goal 5: Technological Skills

Ability to use technology for effective team management.

Learning Goal 6: Interpersonal Skills & Team Dynamics

Learn and manage to work effectively as a team member.

Typical Assignments by Week (Note: these are subject to change)

Week 1

Review of Syllabus

Part I: Introduction and Course Overview

 Chapter 1: Globalization

 Cases for Part I

Week 2

Part II: Country Differences

Chapter 2: National Differences in Political Economy
Chapter 3: The Political Economy and Economic Development

Week 3

Chapter 4: Differences in Cultures
Chapter 5: Ethics in International Business
Cases for Part II

Week 4

Part III: The Global Trade and Investment Environment
Chapter 6: International Trade Theory

Week 5

Chapter 7: The Political Economy of International Trade
Chapter 8: Foreign Direct Investment
Chapter 9: Regional Economic Integration
Cases for Part III

Week 6

Part IV: The Global Monetary System
Chapter 10: The Foreign Exchange Market
Chapter 11: The International Monetary System

Week 7

MIDTERM EXAM/PAPER

Week 8

Class Presentations

Week 9

Class Presentations

Week 10

Chapter 12: The Global Capital Market
Cases for Part IV

Week 11

Part V: The Strategy and Structure of International Business
Chapter 13: The Strategy of International Business

Week 12

Chapter 14: The Organization of International Business
Chapter 15: Entry Strategy and Strategic Alliances
Cases for Part V

Week 13

Part VI: Business Operations
Chapter 16: Exporting, Importing and Countertrade
Chapter 17: Global Production, Outsourcing and Logistics

Week 14

Chapter 18: Global Marketing and R&D
Chapter 19: Global Human Resource Management
Chapter 20: Accounting and Financial Management in International Business
Cases for Part VI

Week 15

FINAL EXAM/PAPER