

Course Outline

Department of Marketing, International Business &
Entrepreneurship
School of Business and Economics

IBUS 3510-3
International Business (3,0,0)

Calendar Description

Students examine globalization and the steps managers take to establish or expand operations in international markets. They explore the influence of forces such as culture, economics, politics, and geography on management decision making. Topics include globalization; national differences in political economy; political economy and economic development; differences in culture; ethics in international business; international trade theory; the political economy of international trade; foreign direct investment; regional economic integration; the foreign exchange market; international business strategy; organization of international business; entry strategy and strategic alliances; global production, outsourcing and logistics; global marketing and research and development.

Educational Objectives/Outcomes

Upon completion of this course, students will be able to:

1. Discuss the different challenges business face when they operate in an international environment.
2. Examine the international institutions and practices that impact international business.
3. Examine the various cultural, political and legal issues that impact international business activity.
4. Appreciate the interaction of business and government as they relate to international commerce.
5. Explain the economic and political arguments for regional economic integration and the implications for business that are inherent in regional economic integration agreements.
6. Discuss trade and investment theory, foreign exchange and the determination of foreign exchange rates.
7. Describe how pressures for cost reductions and pressures for local responsiveness influence strategic choice.
8. Explain how organization can be matched to strategy to improve the performance of an international business.
9. Explain the three basic decisions that firms contemplating foreign expansion must make: (1) which markets to enter, (2) when to enter those markets, and (3) on what scale.
10. Explain why production and logistics decisions are of central importance to many multinational businesses.
11. Explain how country differences, production technology, and product features all affect the choice of where to locate production activities.
12. Explain why it might make sense to vary the attributes of a product from country to country.
13. Describe how the globalization of the world economy is affecting new-product development within the international business firm.

Prerequisites

ECON 1950; MKTG 2430 or MKTG 3430

Texts/Materials

Hill, C. W. L., International Business: Competing in the Global Marketplace, McGraw-Hill Irwin.

Student Evaluation

Term tests	20-50%
Quizzes	0-10%
Participation/attendance	0-10%
Group case studies/research projects/assignments	20-30%
Final exam	20-40%

Term tests and final exams must not make up more than 70% of course work and group work must not make up more than 50% of evaluation.

Course Topics

1. Globalization
 - What is globalization?
 - Emergence of global institutions
 - Drivers of globalization
 - Changing demographics of the global economy
 - Globalization debate
 - Managing in the global marketplace
2. National Differences in Political Economy
 - Political systems
 - Economic systems
 - Legal systems
3. Political Economy and Economic Development
 - Differences in Economic Development
 - Political economy & economic progress
 - States in transition
 - Nature of economic transformation
4. Differences in Culture
 - What is culture?
 - Social structure
 - Individual & groups

- Religious & ethical systems
 - Language
 - Education
 - Culture & workplace
 - Culture change
5. Ethics in International Business
 - Ethical issues in international business
 - Ethical dilemmas
 - Roots of unethical behavior
 - Philosophical approaches to ethics
 6. International Trade Theory
 - Overview of trade theory
 - Mercantilism
 - Absolute advantage
 - Comparative advantage
 - Heckscher-Olin theory
 - Product life-cycle theory
 - New trade theory
 - National competitive advantage: Porter's Diamond
 7. The Political Economy of International Trade
 - Instrument of trade policy: Tariffs, Subsidies, Import quotas
 - Voluntary export restraints
 - Local content requirements
 - Administrative policies
 - Antidumping policies
 - Government intervention
 8. Foreign Direct Investment (FDI)
 - FDI in the world economy
 - Theories of FDI
 - Political ideology & FDI
 - Benefits and costs of FDI to the host and home countries
 - Government policy instruments and FDI
 9. Regional Economic Integration
 - Levels of economic integration
 - Economic case for integration
 - Political case for integration
 - Impediments to integration
 - Regional economic integration in Europe, the Americas, Asia, Africa, the Middle East, and elsewhere
 10. The Foreign Exchange Market
 - Functions of the foreign exchange market
 - Nature of the foreign exchange market

- Economic theories of exchange rate determination
- Exchange rate forecasting
- Currency convertibility

11. International Business Strategy

- Strategy and the firm
- Global expansion, profitability, and profit growth
- Cost pressures & pressures for local responsiveness
- Choosing a strategy

12. The Organization of International Business

- Organizational architecture
- Organizational structure
- Control systems & incentives
- Processes
- Organizational culture
- Synthesis: Strategy & architecture
- Organizational change

13. Entry Strategy and Strategic Alliance

- Basic entry decisions
- Entry modes
- Strategic alliances

14. Global Production, Outsourcing, and Logistics

- Strategy, production, and logistics
- Where to produce
- Country factors
- Strategic role of a foreign production site
- Outsourcing production: Make-or-buy decisions
- Managing a global supply chain

15. Global Marketing and Research and Development

- Globalization of markets and brands
- Market segmentation
- Product attributes
- Distribution strategy
- Communication strategy
- Pricing strategy
- New-product development

Methods for Prior Learning Assessment and Recognition

As per TRU policy

Attendance Requirements – Include if different from TRU Policy

As per TRU policy

Special Course Activities – Optional

None

Use of Technology – Optional

None