

MALONE COLLEGE

**Master of Business Administration
MBA 601 INTERNATIONAL BUSINESS
Cohort 23 June 30-August 18, 2008**

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COURSE DESCRIPTION

This course explores the issues confronting managers in international business. It covers differing cultures; political, economic and legal systems; and levels of economic development. Time will be spent identifying management principles which are universal in their application to multinational enterprises (MNEs) and those which are American and need to be adapted to local situations.

TEXTBOOK

Ricky W. Griffin and Michael W. Pustay, **International Business: A Managerial Perspective**, 5th Ed; Pearson Prentice Hall, 2007.

ISBN 0-13-199534-0

Handouts to supplement the textbook.

AREAS OF FOCUS

The course presents an overview of the following:

- a. Background for international business
- b. Trade and investment theories
- c. International monetary systems
- c. Theories of exchange rate and exchange markets
- d. Corporate strategy and organization

COURSE OBJECTIVES

The course focuses on the structures and strategies of international business and on the implications of international business for the various corporate functions. The course helps students develop an understanding of:

- a. How and why world economies differ
- b. Theories of international trade and investment
- c. Foreign exchange and exchange markets
- d. Structures and strategies of MNEs
- e. The implications of the various topics for the management of international business

An important objective of the course is the enhancement of research skills in writing a well researched term paper/case study .

GRADUATE SCHOOL ATTENDANCE POLICY

Students are expected to be punctual in attendance in all courses because of their intensive format. In the event of an emergency or illness or other significant conflict, students are responsible for notifying the professor and for fulfilling all class requirements according to the professor's directions. Absence from one class may be excused provided the student: 1. Expresses in writing to the professor (copy to the Director of Graduate Studies in Business) an acceptable reason for the absence
2. Receives permission from the professor; and 3. agrees to do all make-up work required by the professor. Absence from two or more classes, if unexcused, will result in a failing grade.

INSTRUCTIONAL FORMAT

The course utilizes a combination of lectures and videos that will help explain and apply concepts of international business and management, and class analysis of assigned case studies. Students are encouraged to actively participate and share their workplace or life experiences in class. A research paper or case study is required.

Because of the intensive nature of the MBA program students are expected to keep abreast of the schedule and read the assigned material before class in order to derive maximum benefit from the course.

EVALUATION

a. **Grading Scale**

Midterm Exam	35%
Final Exam	35%
Paper/case study	30%

100-93 A	82-80 B-
92-90 A-	79-77 C+
69-87 B+	76-73 C
86-83 B	Less than C F

b. **Midterm and final exams**

The midterm and final exams will test the student's understanding of the course content gained from the lectures and analysis of assigned case studies. The exams will be a combination of essay questions and cases.

c. **Research Paper/Case Study**

The purpose of the paper/case study is to evaluate the student's ability to research, analyze and write a paper on a topical issue in international business. The paper should be approximately 12-15 pages, excluding enclosures, double spaced with indented paragraphs, using a research format and bibliography. Use the American Psychological Association (APA) documentation style of in-text citations and references. The APA style is used in the social sciences. Consult an appropriate research and documentation reference source such as **Prentice Hall Reference Guide 6th edition**, 2006. There are several reference books in the library.

- c. The following resources should be used in your research strategy:

Library Resources

General and specialized reference works
Index of Business Periodicals
Articles in scholarly journals in finance, marketing, strategic planning, organization development, and operations management
Articles in business magazines and newspapers
Company publications

Internet Resources

Web sites
Reference works
News articles

Field Research

Interviews
Opinion surveys

The Internet allows one access to innumerable online sources, but caution should be exercised since it lacks quality control because anyone could publish on it. The internet, however, is a vast source of invaluable information. The best strategy is to combine library and Internet research. The library contains research quality information that has been carefully selected, classified, and indexed. Some of these sources are poorly represented or difficult to find on the Internet. **Please attach the first page of Internet citations to the paper and the approved proposal.**

SUGGESTED TOPICS

The following are suggested topics. You are free to choose similar or other topics including a case study that serve your interest. Topic outlines, data sources, research design and bibliography must be submitted on **week 3-July 14**. The paper is due on **week 8-August 18**.

1. Analyze the trends in direct U.S. investment abroad, or in major geographic areas such as Europe, Asia or Latin America, or another nation's direct investment in the U.S.
2. Select a developing country and gather data on that country's economic, technological, political, and legal environments. What conclusions can you draw regarding the country's attractiveness of Multinational Corporation (MNC) investment? Are there specific types of MNCs that would find that country to be particularly attractive to enter?
3. Compare and contrast major cultural dimensions that MNC managers must know about doing business in China, India, Japan or Arab countries. Drawing on your analysis, what are your conclusions about managing in these countries?

4. Analyze the business opportunities that the European Union (EU) or North American Free Trade Association (NAFTA) has created for member countries.
5. Analyze the efforts of developing countries in privatizing their telecommunications industry. Examine the opportunities that privatization has created for MNCs.
6. Review recent issues of business magazines, newspapers, and journals and identify a joint venture that is being developed by MNCs from different countries. Compare and contrast the organizational culture that is likely to exist in each partner. What conclusions can you draw regarding the potential problems and strengths that organizational culture might create for this joint venture?
7. Analyze an MNC that is changing its international strategy. Determine how this strategy will be beneficial to the MNC. What critical factors will be needed for success? How will the specific strategy help to create or draw on the key factors? Why is the MNC making these strategy changes? What countermoves can be expected from the MNC's competitors? or
You can do this analysis for an MNC that has changed its strategy.
8. Interview, in person or by telephone, 2 foreign subsidiary managers in 2 different MNCs. Discuss with these managers the decision-making authority they have and the types of controls that are used to monitor their performance. Compare and contrast the 2 answers. What conclusions can you draw regarding decision-making and operations control used by MNCs?
9. Select an MNC in Europe or Asia. Compare how the MNC motivates and compensates its human resources at home and in the U.S. What conclusions can you draw about the MNC's forms of compensation and motivation?
10. Gather recent information on joint ventures between a U.S. company and an Eastern European company. What leadership style is being used with employees in that country? How does this style of leadership differ from the American company? What conclusions can you draw regarding how this information can be valuable to MNCs in the U.S. contemplating business opportunities in countries of Eastern Europe?
11. Analyze the major differences in the ways labor-management agreements are reached in the U.S., U.K., Japan, and Canada. Examine how industrial conflicts are handled in the 4 countries. What are the implications for MNCs with production facilities in these countries?

12. You are a consultant for a Japanese MNC which is considering establishing a manufacturing facility in N.E. Ohio. What key factors must you consider? What are advantages of a N.E. Ohio location? What suggestions would you offer to the firm regarding industrial relations strategies and practices for this location? What problems will the home office likely confront?
13. Analyze the Asian financial crisis of the late 1990s and its consequences on the Asian economies.
14. Analyze the effects of global sourcing. Discuss, also, its advantages and disadvantages.

SCHEDULE AND ASSIGNMENTS

All assignments are from the textbook.

<u>Week</u>	<u>Date</u>	<u>Topic/Assignment</u>
1	6/30	<p>Course overview</p> <p><u>Chap. 1 International Business: Overview</u></p> <p>Extent of internationalization Evolution of international business Reasons for globalization</p>
2	7/7	<p><u>Chap.3 Legal Systems</u></p> <p>Differences in legal systems Impact on the conduct of international business</p> <p><u>Chap. 4 Culture</u></p> <p>Cultural Differences in business behavior Management and cultural differences</p>
3	7/14	<p><u>Chap. 6 Trade and Investment Theory</u></p> <p>Trade Theories Mercantilism Absolute and Comparative advantage Factor-Proportions Investment Theories Country Similiarity Product Life Cycle Global Strategic Rivalry Factors affecting FDI Supply Demand Political</p> <p><u>CASE: Twenty-First Century Pirates, p.173</u></p> <p>Research Proposal</p>
4	7/21	<p>EXAM 1 CHAP. 1,3,4,6</p> <p><u>Chap. 10 International Cooperation</u></p> <p>GATT Levels of economic integration NAFTA, Andean Pact, Mercosur, Caricom EU ASEAN, APEC Implications for IB</p>

- 5 7/28 **Chap. 7 International Monetary System**
The Gold Standard
Bretton Woods
Collapse of the fixed rate system
Floating exchange rate system
Recent activities of The IMF
Implications for IB
- 6 8/4 **Chap. 8 Foreign Exchange**
Fundamentals of foreign exchange
Foreign Exchange Markets
Determination of exchange rates
The International Capital Market
Balance of Payments Equilibrium
Implications of exchange rate
 changes on international business
International Monetary Systems
Case: A Bad Case of Bahtulism, p.234
- 7 7 8/11 **Chap.11 International Strategy**
Pressures for
 Global expansion
 Cost reduction
 Local responsiveness
Strategic Choices
 International Strategy
 Multidomestic Strategy
 Global Strategy
 Transnational Strategy
- Chap. 12 Entry Strategies for International
Markets**
Foreign Market Analysis
Modes of Entry
 Licensing
 Franchising
 Management contracts
 Turnkey operations
 Shared ownership
- 8 8/18 **FINAL EXAM (Chap.7,10,8,11,12)**
DUE: Research Paper