

## **CENTER FOR INTERNATIONAL PROGRAMS**

**Course name: Introduction to International Business**

**Course code: GEB 3350**

**Total contact hours: 48 hours**

### **COURSE DESCRIPTION**

Today, more than ever, the average individual can feel the interdependence of countries within the global economy and the impact on our daily lives. The clothes we wear, the cars we drive, the price we pay for a gallon of gasoline are daily reminders that we live in a global economy. What is also apparent is the direct link between business and politics and the impact one has on the other. In this course, we will focus on political, cultural, economic, and structural issues in conducting global business in both developed and developing economies.

The course will combine both theoretical concepts and practical applications of operating in a global environment. And, because issues in this environment change rapidly, we will focus on current events through use of national and international publications.

This is a practice-oriented course designed to help students achieve an understanding of how commerce is conducted in an increasingly global supply chain. We will utilize case study, discussion of current events, student research and class discourse to understand the key mechanisms of international trade. By the end of the course, you will walk away with a clear knowledge of how business is conducted in the international forum, and have further developed basic analytical skills essential to good business case analysis. It is my hope that you will gain not just the knowledge, but also a practical understanding of the issues and solutions leading to success in international business.

### **OBJECTIVES**

In class, the instructor will act as a moderator, questioner, and lecturer to help you gain a better understanding of the strategic decision making process. The primary focus of the course is to understand how business is conducted on an international scale. This course will:

- Introduce the student to the contemporary issues in international business that illustrates the unique challenges of international business.

- Outline and critically evaluate the major theories that attempt to explain 1) why nations should engage in international trade and 2) the patterns of international trade.
- Explore ways firms position themselves to compete in the global marketplace: by developing global strategies, entering foreign markets, and developing global marketing plans
- Provide you with a deeper understanding of what it's like to do business overseas by requiring you to become a resident "country expert"
- Keep you abreast of current events as they relate to understanding the world of international business
- Develop your written and oral skills in analyzing business issues through research, writing, and discussion of current events
- Helping you learn the strategies and tactics applied in the International Business Negotiations within different countries (China, Japan, Latin America, etc)

In order to facilitate this learning, I will utilize current news articles, comprehensive case studies, text readings, and class participation, each reflecting the high degree of diversity in business today.

### **Learning Approach**

Your learning is the primary objective of all class activities. Research shows that learning occurs when information is transformed into knowledge. Business knowledge can be defined as the ability to think about information, adapt and apply it effectively and successfully to various business situations. My approach will:

- (Inform) Provide an overview of key concepts in strategy formulation
- (Adapt) Offer examples on how the concepts can be adapted in real situations
- (Think) Facilitate class discussions and debate
- (Apply) Use what is learned in case studies and simulated business environments

Grades are intended to reflect how well you have learned. I recommend a focus on learning – good grades will follow. Grades are an outcome of the learning process. This course assumes a basic understanding of general business practices

## **Course Pre-requisites**

- If your field is not Business Administration, International Trade, International Marketing or related, you still can take the course, however it is recommended that you have a basic knowledge of economy, finances and business administration concepts.
- Calculator will be needed for the International Trade class ( #8)

## **Contents for 24 Classes**

*Note: Class schedule topics may change depending on the university background of the students that decide to take the course.*

### **I. THE RAPID CHANGE OF GLOBAL BUSINESS (Class 1.)**

1. Why you need International Business. Experience and how to get it.
2. History of International Business.
3. Why is International Business different?
4. International Business Model.

### **II. INTERNATIONAL TRADE AND FOREIGN INVESTMENT. (Class 2)**

1. International trade: volume, direction, major trading partners.
2. Foreign investment: portfolio investment, direct investment.
3. Why enter foreign markets?
4. How to enter foreign markets?
5. Multidomestic or global strategy?

### **III. ECONOMIC THEORIES ON INTERNATIONAL TRADE, DEVELOPMENT AND INVESTMENT. (Class 3)**

1. The advantage of knowing economic theory.
2. International trade theory. Mercantilism. Absolute advantage. Comparative advantage. Factor endowment. Introducing money. The product life cycle. Toward a theory of international business: Newer theories.
3. Trade restrictions. Governmental influence on trade. The rationale for government intervention. Forms of trade control.
4. Economic development: indicators (potential versus level).
5. International investment theories.

IV. THE DYNAMICS OF INTERNATIONAL ORGANIZATIONS: Relevance for I.B. people. **(Class 4)**

1. The UNO.
2. The World Bank. Multilateral Development Banks: The European Bank for Reconstruction and Development. The Interamerican Development Bank. Other regional development banks.
3. The WTO.
4. OPEC and other product organizations.
5. The European Union. Other regional groupings of nations.
6. The IMF.

V. THE INTERNATIONAL MONETARY SYSTEM: Relevance for I.B. people **(Class 5)**

1. The Gold Standard.
2. Bretton Woods and the Gold Exchange Standard.
3. The Balance of Payments.
4. 1971 and the next two years.
5. 1973 to the present

VI. FINANCIAL FORCES: Relevance for I.B. people **(Class 6)**

1. Fluctuating Currency Values.
2. Foreign Exchange Quotations.
3. Currency Exchange Controls.
4. Balance of Payments.
5. Tariffs and Duties.
6. Taxation.
7. Inflation.
8. Accounting Practices.

VII. ECONOMIC AND SOCIOECONOMIC FORCES: Relevance for I.B. people. **(Class 7)**

1. Economic analysis.
2. International economic analysis: Dimensions of the economy.

VIII. INTERNATIONAL TRADE CLASS **(Class 8)**

1. Means of Transportation on International Trade
2. International freights calculation and Logistics to reduce cost in business
3. International Documentation required for trading.

IX. MID TERM EXAM **(Class 9)**

X. SOCIOCULTURAL FORCES: Relevance for I.B. people. **(Class 10)**

1. What is culture?
2. Sociocultural components: Aesthetics, attitudes and beliefs, language, religion, material culture, societal organization.
3. Understanding national cultures.

XI. POLITICAL FORCESS: Relevance for I.B. people. **(Class 11)**

1. Ideological forces.
2. Government ownership of business.
3. Privatization.
4. Nationalism.
5. Government protection.
6. Government stability.
7. Traditional hostilities.
8. International organizations as political forces.
9. Labor as a political force. Labor unions.
10. Country risk assessment.

XII. LEGAL FORCES: Relevance for I.B. people. **(Class 12)**

1. National legal forces.
2. International forces.
3. International standardizing forces.
4. Export/Import and other contracts.

XIII. LABOR FORCES: Relevance for I.B. people. **(Class 13)**

1. Labor mobility.
2. Labor shortages and guest workers.
3. Composition of the labor force.
4. Social status, gender, race, traditional society, minorities: Considerations in employment policies.
5. Employer-employee relationships.]

XIII. COMPETITIVE AND DISTRIBUTIVE FORCES **(Class 14)**

1. Competition at the macro level.
2. Analysis of the competitive forces.
3. Distributive forces.
4. International channel of distribution members: Indirect or direct exporting. Foreign production.

#### XIV ASSESSING AND ANALYZING MARKETS. (Class 15)

1. Market screening.
2. International information systems (sources).
3. Marketing research: product, market, etc.
4. Market research.

#### XV. MARKETING INTERNATIONALLY. (Class 16)

1. The marketing mix.
2. Marketing strategies.

#### XVI. EXPORT AND IMPORT PRACTICES. (Class 17, 18, 19, 20, 21, 22)

1. Why export?.
2. Who exports?.
3. Why don't they export?
4. Locating foreign markets.
5. Payment and financing procedures.
6. Government incentives.
7. Export procedures.
8. Export shipments.
9. Importing.

#### XVII. INCOTERMS 2000 (Class 23)

#### XVIII. FINAL EXAM (Class 24)

### **METHODOLOGY**

1. Lectures on each topic, trying to generate class discussion.
2. Presentation by individual students of specific topics that he/she will do research on to enlarge his/her knowledge of it. The individual presentation can be a case application.
3. Case studies assigned to groups of students to be solved at home and presented in class for discussion with the rest of the students.
4. Each student will carry out an international business research project in areas such as marketing, management, world economy, etc and present it in class.
5. It will be of extreme importance that the student read each new topic before the respective lecture and discussion so that active class participation can be accomplished.

6. Reading and discussion of articles and books other than the textbook will be recommended to the students and done in class whenever possible.

## **AUDIENCE**

This course is structured for International Students attending the Study Abroad program at Universidad Veritas. However, courses are not exclusive to foreigners so a few native student could enroll in this course.

## **EVALUATION SYSTEM**

|  |             |
|--|-------------|
| Class participation (including attendance) | 10%         |
| Case applications                          | 5%          |
| Individual presentations                   | 5%          |
| Group presentation                         | 20%         |
| Mid Term Exam                              | 30%         |
| Final exam                                 | <u>30%</u>  |
| <b>Total</b>                               | <b>100%</b> |

**Attendance Policy:** *You can only have two total absences in your elective courses **HOWEVER**, if you miss more than one day of class in a given month, **YOU WILL NOT RECEIVE CREDIT** for a particular course.*

**Midterm project.** Each student will carry out an international business research project in areas such as marketing, management, world economy, etc and present it in class.

**Final exam.** The final exam will include the totality of class material, including newspaper and magazine articles, references to other books, students' presentations, case applications, etc.

## **Behavior**

Professors have the right to expel a student from the classroom should he / she:

- 1) be disruptive in the classroom
- 2) be under the influence of alcohol or even smell like alcohol
- 3) behave in a disrespectful way.

If you tend to be late for class, you will lose 25% of your total grade

## BIBLIOGRAPHY

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Cateora, Philip and John Hess. International Marketing. Homewood, Ill.: Richard D. Irwing, Inc

Article, Aneta Petrova, 2008. "Japanese Management Style"  
<http://www.helium.com>

Lothar Katz, Negotiating International Business: The Negotiator's Reference Guide to 50 Countries Around the World , May 31, 2006.

Incoterms 2000: ICC Official Rules for the Interpretation of Trade Terms by Icc Publishing, Sep 1999.