

IMS 3310-004 Course Syllabus

School of Management
The University of Texas at Dallas

Course Information

Course Number/Section	IMS3310.004
Class Timings	Mon and Wed 1:00 pm – 2:15 pm.
Class Room	<u>JSOM 2.902</u>
Course Title	International Business
Term and Dates	Fall 2017, Aug 21, 2017 to Dec 6, 2017

Professor Contact Information

Professor	Dr. Habte G. Woldu
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Course Pre-requisites, Co-requisites, and/or Other Restrictions

The course, International Business is designed for senior undergraduate students and prior to taking the course students need to take ECON 2301 and (MATH 1326 or MATH 2414 or MATH 2419).

Course Description

In the new millennium, the drive of most businesses is to "go global." As ideologies no more draw boundaries between countries, and the cold war between East and West is diminishing and trade and investment barriers are easing, we are witnessing the emerging of more countries into international markets. However, with such expansion, there are opportunities as well as challenges that students of international studies need to understand. In this course, students will familiarize themselves with various controllable and uncontrollable business environments and will develop skill of managing international businesses in such environments. Furthermore, students through various cultural dimensions will be able to understand the multicultural aspects of international businesses as well as the ethical responsibilities of international firms. The students' management of the course will be evaluated through the assessment of demonstrated oral and written skills that are reflected in class, case presentation and project reports as well written exams.

Student Learning Objectives/Outcomes

Upon finishing this course, students are expected to recognize and understand the following course objectives:

1. Determine the dynamics and direction of international trade and foreign direct investment
2. Manage the knowledge of trade theories that explain the benefit and challenges of international trade and foreign direct investment
3. Recognize the International organizations and institutions that affect international business operations
4. Assess the multicultural aspects of international business and the cultural dimensions that indicate the cultural behavior of international business organizations.
5. Recognize the uncontrollable business environments that impact the international business operations
6. Argue about the importance of ethics and responsibilities of multinational firms in their foreign business operations
7. Develop the knowledge of selecting, hiring and controlling of international human resource for international business assignments.

Required Textbooks and Materials

Donald A. Ball, Jeanne M. McNett, Michael Geringer J. and Michael Minor, *International Business*, 1st Edition, McGraw Hill Irwin, Inc., 2015.

ISBN: 9781259317224

The textbook is available in stock at the [UTD Bookstore](#) and Off-Campus Books.

Suggested additional reading sources

Mauro Guillen and Esteban Garcia - Canal, *Emerging Markets Rule: Growth Strategies of the New Global Giants*, McGraw Hill, 2013

International Business, ed. Maidment, Fred, *Annual Editions*, McGraw Hill, 2007-8

<http://www.mhcls.com>

Nancy, Adler, *International Dimensions of Organizational Behavior*, 5th Edition, South-Western Thomson Learning, 2008

Ferraro, Gary, *The Cultural Dimensions of International Business*, 4th Edition, Prentice-Hall, Inc., Upper Saddle River, New Jersey, 2004

Shenkar, Oded, *Global Perspectives of Human Resource Management*, Prentice-Hall, Inc. Englewood Cliffs, New Jersey, 1995

Hofstede, Geert, The Cultural Relativity of Organizational Practices and Theories, *Journal of International Business Studies*, Fall, 1983, pp.75-89

Recommended readings (available online on e-learning):

1. Marber, Peter (2004) "Globalization and its contents", *World Policy Journal*, Winter 2004/2005
2. Samuelson, Robbert (2005) "Bottom Dollar", *Newsweek*, March 21, 2005
3. Chandler, Clay, (2005) "The Great –Wal-Mart of China", *Fortune*, July, 2005
4. The Economist, Trade: And now, protectionism, Oct 15, 2011.
5. Baily, Martin and Farrell, Diana (2005) "Outsourcing Jobs: The Myths and Realities" , *Current*, February, 2005
6. Zachary, Pascal (2006) "Making it in China", *Business 2.0*, August 2005
7. Engardio, P (2005) "A New World Economy: The Balance of Power Will Shift to the East as China and India Evolve", *Businessweek*, August 22, 2005
8. Bolton, Imitation Vs Innovation
9. Chironga Mutsa, Leke Acha, Wamelen Arend (2011) "Cracking the Next Growth Market : Africa" , *HBR*, May 2011

Important recent articles on economic crises-available on Internet

Financial Crises: Lessons from History

<http://news.bbc.co.uk/2/hi/business/6958091.stm>

Global crises: Economic shifts and fault lines

<http://www.globalresearch.ca/index.php?context=va&aid=12283>

Capitalism and the absence of creative disruption (aug, 2017) (dynamics of global business IMS 6204-6314)

<https://www.economist.com/blogs/buttonwood/2017/08/wall-street-s-high-wire-act>

To pull or not to pull: The case for delaying the start of the Brexit process?

<https://www.economist.com/news/britain/21705347-case-delaying-start-brexit-process-pull-or-not-pull>

In graphics: Britain's referendum on EU membership: A background guide to "Brexit" from the European Union, The Economist's "Brexit" Backgrounder

<https://www.economist.com/blogs/graphicdetail/2016/02/graphics-britain-s-referendum-eu-membership>

Business Insider: Brexit is killing the pound but it's having a really productive side-effect on Britain's economy

<http://www.businessinsider.com/adam-smith-institute-brexit-impact-on-the-pound-uk-economy-jobs-2017-4?r=UK&IR=T>

Assignments & Academic Calendar

Assignments:

Team case assignments will be distributed among groups. The team case will be presented in class and a 5-6 pages research paper with its full reference (use refereed journal papers) will be submitted to the instructor immediately following the presentation. Case presenters need to supply a one-page outline by highlighting, the objectives, problems, and solutions of the case study to all students. Additional tasks such as summary of films or articles may be assigned. Preparation for class is essential.

Course Schedule:

DATES	TOPIC/LECTURE	Reading Materials (Summary Report, Discussion)	DUE DATE / Activities
08/21	Overview of the coursework Distribution of syllabus, assignments and group projects	Diagnostic test on global business environments Self-introduction and Group project distribution	Bring Scantron "882e" and a pencil to class
08/23	Ch. 1 The Challenging Context of International Business	Required Reading for all: <u>On sidelines of trade talks, businesses tout NAFTA's benefits</u>	Lecture
08/28	Ch. 2 International trade and investment	Reading: Marber, "Globalization and its contents"	Lecture
08/30		<u>Case 1:</u> Comparative advantage and off shoring of service jobs: The off-shoring case of India Pp. 39-40	Case 1 project presentation and paper submission by group 1
09/04		<u>No classes –Labor Day</u>	
09/06		Class work on "cost comparative advantage: Ricardo's cost comparative advantage"	Homework on cost comparative advantage will be handed in class

09/11		<u>Case -2:</u> Can Brazil Become a Global competitor in Information Technology Outsourcing Business? Pp 57-58	Case 2 project presentation and paper submission by group 2 Turn in assignment on cost comparative advantage
09/13	Ch. 3 Sociocultural Forces		Lecture
09/18		<u>Case 3:</u> “When in Rome, Should You “Do as the Romans Do...and Feel Comfortable about It?” p 72 Identify Hofstede’s five cultural dimensions and discuss the cultural related challenges of international business operations U.S. Vs. China and Saudi Arabia	Case 3: project presentation and paper submission by group 3
09/20	Ch. 4 Sustainability and Natural Resources	Quiz 1 (Ch. 1-3)	Lecture
09/25	Ch. 5 Political Forces That Affect Global Trade Ch. 6 Intellectual Property Rights and Other Legal forces		Lecture
09/27	Ch.7 Economic and Socioeconomic Forces	Reading : Bolton, Imitación Vs Innovación	Lecture Read the article by Bolton before class
10/02	Ch. 8 The International Monetary System and Financial Forces		Lecture
10/04	Midterm	Chapter 1 – 8	Bring with you, Scantron 886E, calculator and pencil
10/09		<u>Case 4:</u> The Blue Green Alliance: A New Way of thinking for Sustainability. Pg: 119	Case 4: project presentation and paper submission by group 4

10/11	Ch. 12 Part I- International Markets –Assessment and Entry Modes		lecture
10/16	Ch.12 Part II Export and Import Practice Pp.446-469		lecture
10/18		Case 5: Is your Chocolate the Result of Unfair Exploitation of Child Labor? Ethical issues in the global market Pg: 146	Case5: project presentation and paper submission by group 5
10/23	Ch. 13: Marketing Internationally		Lecture
10/25		Samuelson, Robbert (2005) “Bottom Dollar”, <i>Newsweek</i> , March 21, 2005	
10/30		<u>Case 6:</u> Cuba Opportunity and Sticky Situation: p.342	Case 6: Project presentation and paper submission by group 6
11/01		Quiz 2 (Ch. 12, 13)	Lecture
11/06		<u>Case 7:</u> Environmental Disasters and Ethics of International Companies: The case of Bhopal. (Refer the case Profiles in the syllabus)	Case 7: Project presentation and paper submission by group 7
11/08	Ch. 14 Managing Human Resources in an International Context		View on “The world is flat” video prior to class on 04/06
11/13	Video based in class discussion	Freedman’s discussion on “The World is Flat” with MIT faculty and students http://video.mit.edu/watch/the-world-is-flat-30-9321/	Points of discussion: -is the world really flat -what are the factors that have “flatten: the world”? - who benefits from the flattening world?
11/15	Bonus Module A: International Institutions from a business perspectives Pp. 416-445	<u>Case 8:</u> Jayden White: Should He Accept an Expat Assignment p. 387	Case 8: Project presentation and paper submission by group 8 & Lecture

11/27		Cultural Blunder between American Expatriates and Their International Business Partners	Video in class to be shown and discussion to be followed after the video show.
11/29	Guest Speaker	Topic: International Business Career	
12/04	Revision	Revision followed by group study	
12/06	Final Exam	Chapters (12, 13, 14, Bonus Model A)	

Additional Readings:

Marber, Peter (2004) "Globalization and its contents", <i>World Policy Journal</i> , Winter 2004/2005
Samuelson, Robbert (2005) "Bottom Dollar", <i>Newsweek</i> , March 21, 2005
Chandler, Clay, (2005) "The Great –Wal-Mart of China", <i>Fortune</i> , July, 2005
The Economist, Trade: And now, protectionism, Oct 15, 2011
Baily, Martin and Farrell, Diana (2005) "Outsourcing Jobs: The Myths and Realities" , <i>Current</i> , February, 2005
Zachary, Pascal (2006) "Making it in China", <i>Business 2.0</i> , August 2005
Engardio, P (2005) "A New World Economy: The Balance of Power Will Shift to the East as China and India Evolve", <i>Businessweek</i> , August 22, 2005
Bolton, Imitation Vs. Innovation
Chironga Mutsa, Leke Acha, Wamelen Arend (2011) "Cracking the Next Growth Market : Africa" , HBR, May 2011

Case Profiles:

Case 1: Comparative Advantage: Should the United States be Sending Service Jobs to India? Pp. 39-40

India might not have many industrial resources, but it has almost four times higher population size than the United States. Hence, global companies, such as Amazon, IBM and American Express as well as a range of more medium size firms, with the objective of capturing India's comparative advantage in human resource, are entering the Indian market. In fact, research indicates that Western firms, specifically U.S. owned MNCs are enjoying higher return from businesses that are engaged in outsourcing and offshoring. However, the American society is divided on these forms of business practices. Some view outsourcing and offshoring positively due to the fact that American firms, thanks to these new forms of business practices, are gaining higher profits, while others see such practices as a threat to the U.S. competitiveness and domestic jobs. After reading the full article,

found on pages 39-40, discuss in your report, why there is no one solution to such complex issue and demonstrate your position by presenting sound and research-based arguments. While you are expected to come up with an original (your own) solution which is acceptable for the average American citizen, your research paper should address the three questions presented at the end of the article.

Case 2: Can Brazil Become a Global Competitor in the Information Technology outsourcing Business, Pp. 57-58

India after being a destination for western firms' newest forms of business practices such as outsourcing and offshoring for some time, in return, it is going overseas by outsourcing its IT. One of the destination is Brazil. Brazil has recently begun building its IT infrastructure with the objective of attracting IT services from other countries. India, which has become the hub for IT, is interesting to in entering the Brazilian market. However, like in many developing countries, there are opportunities and challenges for the Indian IT that need to be weighed carefully before India jumps into the Brazilian outsourced IT service market. After reading the article thoroughly, evaluate the feasibility of the Brazilian IT for the would-be outsourced Indian IT. In order to come up with a sound recommendation, assess the Brazilian business environments for screening the business environments ranging from Brazilian need for IT and other relevant factors such as, economic, , financial, political, legal, cultural and competition as related to IT business. In your report, the responses to the questions appearing at the end of the article should be integrated.

Case 3: When in Rome, Should You “Do as the Romans Do”

“When you are in Rome, do as the Romans do”, applies to business representatives as well as tourists. Being attuned to a country's business etiquette can make or break a sale, particularly in countries where 1000-year-old traditions can dictate the rules for proper behavior. Some of the issues could be contrary to western traditional value system. They may include following the rituals practiced in other countries. For example, division of work based on countries' traditional expectation of gender role, violating ethical codes related to Foreign Corrupt Practices Act related issues such as paying bribes, etc. In your project, argue about the complexity of the issues and justify why international **investors will have a dilemma** on how to solve the challenge. In your discussion, you may refer to the questions posed at the end of the article “Global Debate: When in Rome, Should You “Do as the Romans Do:.... and Feel Comfortable about it”. P. 27. You may identify the cultural values of various countries by acquainting yourself with research studies of Hofstede, Adler, etc.

Sources: Axtel, Dos and Taboos; Rick's, D., International Business Blunders; CIA sources on Country Risk Assessment; Moody's Investor Service; Adler, N. International Dimensions of Organizational Behavior :

Case 4: The Blue Green Alliance: A New Way of thinking for Sustainability (see article).

Case 5: Chocolate: is your treat the result of unfair labor and the exploitation of child labor

While Chocolate is one of the popular consumer product that is consumed by millions of consumers around the globe, a survey on child labor in West Africa indicates that two-thirds of workers who work in the cocoa production are the below the age of 14 and the working conditions are equated with slavery-like. To make it worse, 34% of the total children involved in child labor will never go to school. The children are forced to work under such harsh conditions due to economic or kidnapping reasons. Discuss why this practice which is conducted by large corporations such as Nestle is unethical and explore in detail, the factors that attribute to such situation and suggest the steps that need to be taken in order to improve the working conditions and the possible compensation that should be provided for the children, who have no options available for them. In your report, incorporate the three questions posed at the end of article Pp. 146-147

Case 6: Cuba: Opportunity or Sticky Situation? P. 342

Since 2014, the United States and the Cuban governments are in the process of normalizing their long standing political tension. Some economists and international business experts believe that the passing away of the Castro brothers will certainly lead to the end of the US-Cuban trade embargo and the political tension and will be followed by trade boom and tourism between both countries. The U.S is expected to benefit from the export of construction, agricultural and food processing technologies, while Cuba will benefit from the export of fruits, artifacts, the famous Cuban Cigar and Havana Rum. Furthermore, Cuba will benefit tremendously from thousands of Americans who are waiting for such opportunity. The opening of Cuba for investors will also have a positive impact trickled down to the Caribbean island countries, as Cuba, being the largest island can serve as a gate way to the other smaller countries.

However, Cuba after being isolated for almost 60 years, has inherited serious challenges that can impair trade between the two countries and make capital investment almost impossible in the near future. On the other hand, experiences from the former central and east European countries indicate that the first market movers, despite the challenges, will usually have easier access and will enjoy government support. Hence, the rule of the game for investors is not to wait until things completely normalize, but to face the challenges and go through the learning curve.

After reading the global debate "Cuba: opportunity or sticky situation? On page 342, identify three areas of investment that can be prospectively beneficial for American investors. Discuss the challenges and the solutions for the challenges. In your paper and presentation, incorporate the questions posed at the end of the article

Case 7: Environmental Disasters and Ethics of International Companies: The case of Bhopal

Harry Johnson, CEO of international Chemical, called a meeting of the newly formed crises management committee, which consist of the vice president of manufacturing; the Venice

president-legal; the vice president of health, safety, and environment; the chief financial officer; and the public relations officer. Johnson had formed the committee after Union Carbide's Bhopal disaster to examine International Chemical's contingency plans. Because the two companies have similar international organizations and produce similarly toxic products, he asked the members to review the information they had on the Bhopal disaster and make recommendations as to what each person's area would do should their company have a similar accident. Johnson also asked the vice president of health, safety, and environment to begin the meeting by giving the committee a synopsis of the series of events that occurred during the first days after the disaster.

Discuss the possible causes of the accident. What are the steps one should have followed in order to avoid the disaster? Should international corporations be engaged in the production of such toxic materials for profit? Do multinational organizations have the responsibility of bringing awareness to the people who lack adequate knowledge about the negative effect of such business operation?

Sources: Berenbeim, Ronald, "Can Multinational Businesses Agree on How to Act Ethically?" Business and Society Review, Number 9/8, 1997

Case 8: Jayden White: Should He Accept an Expat Assignment p. 387

Mr. Jayden White, a 32 years old manager with Techtonics International had just returned to his office early on a Thursday. His boss, at a lunchtime meeting, informs him that he is offering him the opportunity to move to Shanghai, China, where he would be in charge of establishing the company's new office for the East Asia regions. Mr. White has worked for Techtonics for the last ten years and has been one of the "rising stars" for the company and he has been in charge of 2100 sales personnel with a total sales of \$700 million. His boss has told him that he needs to decide within a week and if he did so, he will be moved within 4-6 months. Mr. White, is excited about the opportunity and has dreamed about such opportunity as he was exposed to international cultures and is familiar with the life style in a foreign country through his college time internships and living in various countries when was younger. However, Mr. White, has many questions in his mind: What happens to his wife who is currently working as an accountant for a domestic firm? In addition, he is also thinking about his children, who are currently 5 and 8 years old. Mr. White happens to have a good friend who has worked overseas and is knowledgeable about expatriate's life in various countries. Hence, if you were a good friend of Mr. White,

- a) What recommendations you would give regarding whether he should accept the international assignment that has been offered to him?
- b) What issues should he focus on in making such a decision?
- c) What kind of benefit package should he negotiate if he decides to accept the position?

Case Presentation / Report Format:

In group case presentation, it is important that relevant and key aspects of the issue/problem be highlighted. Students are expected to identify the main theme of the case, apply an appropriate research method and choose the best solution of all possible available alternatives. Each group will follow the following guidelines.

- 1) Situation/background: briefly state your understanding of the subject/problem; identifying the environmental forces involved.
- 2) Focusing on the main objective/s of the case by asking oneself which ones are worth attention.
- 3) Assessing alternatives: comparative approach along with pros and cons of all situations. It is important that your arguments are supported by quantitative approach via data collection, processing and presenting them (data) in tabular form and graphs.
- 4) Recommendation: defend the best alternative, which provides practical and acceptable options.
- 5) Drawing a conclusion to your case presentation.

The written case paper should be typed and double space. Attach graphs, tables, and other methods to illustrate the problem. Sources/bibliography should be provided. It is preferred that sources of your research are from recent research papers documented in prime business, economic and international journals. Please be advised that your research report should be between 5-6 double spaced pages and should have enough space on both margins for instructor's remarks and notes. Divide work among members; budget your time between 20-25 minutes. Team performance will be graded on the base of methods of analysis, quality of presentation, and effectiveness as a team. Creative presentation style is encouraged; however contents and messages should reflect the format of real business scenario.

Peer evaluation should be submitted immediately after the presentation of group projects in a closed envelope. Peer evaluation is based on individuals'

- a) Intellectual Input to the final project
- b) full participation and integrity
- c) creative and original ideas submitted to the group
- d) resourcefulness
- e) last but not least, peer evaluation includes honest and critical comments on the participation of students. Just assigning numbers is not adequate.

Grading Policy

Grading Information

Grading Weight

Class Activities (attendance etc.)	10%
Home Work assignments	10%
Group Project –presentation and paper – peer evaluation	15 % 5 %
Quiz 1	5 %
Exam 1	25 %
Quiz 2	5 %
Exam 2	25 %

Grading Criteria

Scaled Score	Letter Equivalent
More than 97	A+
92-96	A
88-91	A-
85-87	B+
82-84	B
78-81	B-
75-77	C+
72-74	C
68-71	C-
62-67	D
58-61	D-
Less than 58	F

Course & Instructor Policies

Make-up exams

Make-ups for midterm and final exams are possible only under extraordinary situation and the instructor may not give full credit to late exams depending on the condition why the examinee didn't take the exam.

Late Work

Only accepted under exceptional situation

Class Participation

Students are also required to participate in all class activities such as group projects and special assignments such as reading on current affairs.

Communications

This eLearning course has built-in communication tools which will be used for interaction and communication. Some external communication tools such as regular email and a web conferencing tool may also be used during the semester. Please see more details about [communication tool information](#).

Comet Creed

This creed was voted on by the UT Dallas student body in 2014. It is a standard that Comets choose to live by and encourage others to do the same:

“As a Comet, I pledge honesty, integrity, and service in all that I do.”

UT Dallas Syllabus Policies and Procedures

The information contained in the following link constitutes the University's policies and procedures segment of the course syllabus.

Please go to <http://go.utdallas.edu/syllabus-policies> for these policies.

The descriptions and timelines contained in this syllabus are subject to change at the discretion of the Professor.