

School of Marketing and International Business

IBUS 201 PRINCIPLES OF INTERNATIONAL BUSINESS

Trimester Three 2008

COURSE OUTLINE

Contact Details

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Class Times and Room Numbers

Course dates: 20th January 2009 – 12th February 2009
Lectures: Tuesday, Wednesday & Thursday, GBLT3, 10.30 – 13.20
Final examination period: Monday 16th February – Saturday 21st February
Withdrawal dates: Monday 26th January

Course Content

This is an introductory course in international business, designed to provide you with the foundations necessary to continue your degree in international business and a comprehensive understanding of the issues facing firms in international markets. The course broadly covers all facets of international business and is divided into the following topics:

Introduction

- An introduction to the principles of international business
- Globalisation of markets, production and capital

The External Environment of International Business

- Socio-cultural environment
- Technological environment
- Economic and financial environment
- Political environment

International Business Strategy and Operations

- Multinational enterprises (MNEs), trade and investment
- An introduction to international strategic management of MNEs

Course Learning Objectives

By the end of this course, students should be able to:

- Apply the concepts and terminology commonly used in international business (assessed by STEP portfolio reports);
- Explain the drivers of globalisation and international business (assessed by the mid-term test);
- Identify economic, political, legal, and other environmental factors to compare national and regional economies throughout the world (assessed by the STEP portfolio reports);
- Compare and contrast the structures and strategies of international organisations including foreign market entry strategies and methods of operations (assessed by the final examination).

Expected Workload

You should expect to spend 17-18 hours per week on independent study for this course.

Attendance at classes:	9 hours per week
Reading and reviewing:	4-5 hours per week
Assignments:	4-5 hours per week

It is very important that you keep up with the course readings, as this is a fast-paced course, covering much material.

Readings

The required text for this paper is Charles W.L. Hill. (2007). *International Business: Competing in the Global Marketplace: Asia-Pacific or International Edition*, 7th Edition, McGraw Hill Irwin. Earlier copies of the textbook are acceptable, but please ensure you read the correct chapters:

- Chapter 1 Globalization
- Chapter 2 National differences in political economy
- Chapter 3 Differences in culture
- Chapter 4 Ethics in international business
- Chapter 5 International trade theory
- Chapter 6 The political economy of international trade
- Chapter 7 Foreign direct investment
- Chapter 8 Regional economic integration
- Chapter 9 The foreign exchange market
- Chapter 10 The international monetary system
- Chapter 11 The global capital market (recommended, not required reading)
- Chapter 12 The strategy of international business
- Chapter 13 The organization of international business

Additional readings (including a chapter on managing technology) will also be assigned at the discretion of the course lecturer. The assigned textbook comes with a CD-Rom and web-site support (see below). The CD-Rom includes near-complete versions of the chapters, video clips and assignments. You are encouraged to use the textbook and CD-Rom in conjunction with the lecture. Chapters are assigned for each topic (see below).

Materials and Equipment

The textbook provides the starting point for reading. This should NOT be considered the minimum necessary to complete assignments. Students are encouraged to make use of printed media (newspapers, magazines), academic material (journals and books), and resources available on the web (library databases, web pages of universities, companies, and international organisations, and media-related sites) as additional sources of reading and reference material. Additional references and reading material can be obtained from the:

- bibliography of the textbook,
- library electronic databases such as Proquest or Expanded Academic ASAP,
- the ibresources website at www.vuw.ac.nz/ibresources ,
- McGraw-Hill On-Line Learning Center, www.globaledge.com, or www.scholar.google.com or
- lecturer of this course.

No additional equipment will be required for this course. No additional materials will be permitted during the final examination.

Assessment Requirements

A breakdown of the final mark and description of each piece of assessment follows.

Mid-term test	20%
STEP Portfolio Reports	40%
Final examination	40%
Total	100%

You will take **one test** to assess your understanding of the materials throughout the first half of the course. You will take this test during the course lectures, as indicated in the course schedule below.

MID-TERM TEST

ON

3RD FEBRUARY

The **STEP Portfolio** assignment is designed to make you aware of the big wide world around you and its influence on international business. The purpose of the portfolio reports is to apply the principles, concepts, key ideas and theories of international business given in lectures and the textbook to real world examples of companies, strategies, countries, and current events that influence the IB environment. It is also intended to help you remember the ideas about international business you will learn in this course - the key is to be able to apply these principles or concepts to your own real world examples!

You are encouraged to start collecting relevant examples from the first week of the trimester. The choice of which IB principles to apply, and which examples to use, is up to you, but there should be no repetition of principles or examples. Examples given in the lectures, textbook, or tutorials should NOT be used in this assignment - I want you to come up with your own! By the end of this assignment you should be able to read/watch/surf the news and media and be able to comment on why and how this relates to international business.

The STEP Portfolio consists of FOUR individual reports on the international business environment - one report for each of the four S.T.E.P environments; i.e. socio-cultural, technological, economic/financial and political/legal. Each report will be worth 10 per cent of your final mark.

The first of these, on the **socio-cultural environment report is due on the 29th January**. You will be given a grade and feedback on this report to help with your preparation of the remaining three reports.

STEP REPORT 1 (socio-cultural environment) DUE 29TH JANUARY

STEP PORTFOLIO REPORTS 2-4 (technological, economic/financial and political/legal) DUE 12TH FEBRUARY

Please submit your first report via email to the course lecturer, and reports 2-4 before class (hardcopy)

The highest grades will be given to Portfolios which:

- are creative in both their content and presentation;
- demonstrate clear definitions and solid understanding of IB principles;
- critically evaluate examples in light of the IB principle chosen, and discuss implications/insights for business strategy/managers/consumers/country welfare/non-government organisations (NGOs) etc. were appropriate;
- apply and explain highly relevant, interesting, up-to-date, and non-trivial examples;
- are presented using a clear and concise structure and writing style; and
- provide multiple references to examples and concepts (demonstrating research capability).

Each report should start with a brief definition/explanation of the IB principle or concept being illustrated. This can include any model, theory, concept, or idea that has been discussed during the lectures or in the assigned chapters of the textbook (for the STEP topics only). You should indicate where the principle has been taken from by citing the source: ie. (Scott-Kennel, 2008, topic 3) or (Hill, 2008, p. 307). The remainder of the report should be devoted to applying your chosen example specifically to this principle, then highlighting the implications for business (as above). Each report should include a reference list of all material used in your research on the concept and the example.

The length of EACH report is expected to be approximately 600 words or the equivalent of two pages (1.5 line-spacing) plus references. Students should follow the style and referencing guidelines given in this course outline. Main and secondary headings should be numbered.

Example: IBP REPORT 1. CULTURE IN BUSINESS NEGOTIATIONS

- 1.1 How culture influences business negotiations – a definition of 'cultural time'
- 1.2 Japanese culture and negotiations
- 1.3 The implications of different approaches to 'time' during negotiations between Sony and Universal Pictures etc.

Examination

Students who enrol in courses with examinations are obliged to attend an examination at the University at any time during the formal examination period. The final **examination** will be a written 2-hour exam and will cover the contents of the entire course (lectures, videos, course readings).

Examination dates for trimester three: Monday 16th February to Saturday 21 February 2009 inclusive.

DETAILED COURSE SCHEDULE, 2008 SUMMER

Class	Date	Topic	Due	Textbook *
1	20 Jan	Introduction to the principles of international business		
		Topic 1. Globalisation of markets, production & capital		Chap 1
		<i>Video: Globalisation</i>		
2	21 Jan	<i>(Cont.)</i>		Chap 10
		<i>(Cont.)</i>		
		<i>Workshop: Undertaking a STEP Analysis</i>		
3	22 Jan	Topic 2: The socio-cultural environment		Chap 3
		<i>(Cont.)</i>		
		<i>Case study - tba</i>		
4	27 Jan	<i>(Cont.)</i>		Chap 4
		<i>(Cont.)</i>		
		<i>Hot topic - Greening business</i>		
5	28 Jan	Topic 3: The technological environment		Chap 11#
		<i>(Cont.)</i>		
		<i>Workshop: Innovation at 3M</i>		
6	29 Jan	Topic 4: The economic and financial environment	Socio-cultural environment portfolio report	Chap 2
		<i>(Cont.)</i>		
		<i>Guest speaker - tba</i>		
7	3 Feb	Mid-term test	Mid-term test	Chap 9
		<i>(Cont.)</i>		
		<i>(Cont.)</i>		
8	4 Feb	Topic 5: The political environment		Chap 6
		<i>(Cont.)</i>		
		<i>Hot topic - Political risk and return</i>		
9	5 Feb	<i>(Cont.)</i>		Chap 8
		Topic 6: MNEs, trade and investment		Chap 5
		<i>Video - NZ-China FTA</i>		
10	10 Feb	<i>(Cont.)</i>		Chap 7
		<i>(Cont.)</i>		
		<i>Hot topic - The impact of MNEs</i>		
11	11 Feb	Topic 7: International strategic management		Chap 12
		<i>(Cont.)</i>		
		<i>Management workshop - Using strategic tools</i>		
12	12 Feb	<i>(Cont.)</i>	S.T.E.P Portfolio (remaining 3 reports)	Chap 13
		<i>(Cont.)</i>		
		<i>Workshop: Review for final exam</i>		

* other readings on current affairs will be assigned at the discretion of the course lecturer. These will be made available in class, RH1121 or on blackboard.

a chapter from an alternative textbook, this reading will be made available in class.

Penalties

Late assignment submissions will not be accepted. Missing the test because of non-attendance will result in a mark of zero (0) on the test. Exceptions will be made only for special circumstances (bereavement, illness, etc.) where documentation is provided.

Any student caught cheating on an assignment or examination will receive an automatic mark of zero (0) and/or disciplinary actions may be taken under the Statute on Student Conduct. This includes plagiarism. You are strongly advised to consult the **Academic Integrity and Plagiarism** policy website at: www.vuw.ac.nz/home/studying/plagiarism.html.

Mandatory Course Requirements

You are required to obtain an overall mark of at least 50%, and a mark of 40% on the final examination to pass this course.

Course Lecturer

Dr Scott-Kennel has been teaching and researching in the area of international business for over ten years. In addition, she has published several book chapters, articles and conference papers in the areas of foreign investment, inter-firm linkages and development, privatisation, emerging markets, investment policy issues in New Zealand, business networks, and the internationalisation of small to medium sized firms. In 2005 she co-authored a book entitled *International Business Strategy - a New Zealand perspective*. She has been involved in course development and teaching at the Open University of Hong Kong, the University of Waikato, Victoria University of Wellington, Helsinki School of Economics, Finland and Ritsumeikan University, Kyoto, Japan.

Notes on Referencing

All of your references must follow the referencing format of the Journal of International Business Studies. See: <http://www.jibs.net/> ('Instructions for Authors'). Please also consult articles within the journal for additional examples.

Journal/Periodical Articles:

Cosset, J., & Suret, J. 1995. Political risk and benefits of international portfolio diversification. *Journal of International Business Studies*, 26(2): 301-318.
Financial Times. 1996. Survey - Czech Republic: Message from the people. December 6: 3.

Books:

Donahoe, J. D. 1989. *The privatization decision*. New York: Basic Books.

Papers:

Harley, N. H. 1981. Radon risk models. In A. R. Knight & B. Harrad (Eds), *Indoor air and human health*, Proceedings of the Seventh Life Sciences Symposium, 29-31 October 1981, Knoxville, USA: 69-78. Amsterdam: Elsevier.

Chapters in Edited Books:

Caves, R. E., & Mehra, S. K. 1986. Entry of foreign multinationals into the US manufacturing industries. In M. E. Porter (Ed.), *Competition and global industries*: 449-481. Boston, MA: Harvard Business School Press.

Dissertations:

Salk, J. E. 1992. *Shared management joint ventures: Their developmental patterns, challenges and possibilities*. Unpublished PhD Dissertation, Sloan School of Management, Massachusetts Institute of Technology, Cambridge, MA.

Online documents:

The Investment Company Institute. 2004. Worldwide mutual fund assets and flows, third quarter 2003. <http://www.ici.org>. Accessed 4 February 2004.

Online journal articles:

Van de Vliert, E. 2002. Thermoclimate, culture, and poverty as country-level roots of workers' wages. *Journal of International Business Studies*, doi: 10.1057/palgrave.jibs.8400007.

Any reference you use in writing your assignments must be cited. References within the text should be cited using the name and date format. Multiple references are separated by a semicolon (;). For example: Perhaps one of the most informative dimensions of culture is the individualism-collectivism (I/C) dimension (Hofstede, 1984; Maznevski, DiStefano, Gomez, Noorderhaven, & Wu, 2002; Triandis, 2004). Quoted citations must include the page number. For example: Hofstede (2001, p. 209) defines individualism as 'the relationship between the individual and the collectivity that prevails in a given society'.

Faculty of Commerce and Administration Offices

Railway West Wing (RWW) - FCA Student and Academic Services Office

The Faculty's Student and Academic Services Office is located on the ground and first floors of the Railway West Wing. The ground floor counter is the first point of contact for general enquiries and FCA forms. Student Administration Advisers are available to discuss course status and give further advice about FCA qualifications. To check for opening hours call the Student and Academic Services Office on (04) 463 5376.

Easterfield (EA) - FCA/Education/Law Kelburn Office

The Kelburn Campus Office for the Faculties of Commerce and Administration, Education and Law is situated in the Easterfield Building on the ground floor (EA005). This counter is the first point of contact for :

- Duty tutors for student contact and advice.
- Information concerning administrative and academic matters.
- Forms for FCA Student and Academic Services (e.g. application for academic transcripts, requests for degree audit, COP requests).
- Examinations-related information during the examination period.

To check for opening hours call the Student and Academic Services Office on (04) 463 5376.

General University Policies and Statutes

Students should familiarise themselves with the University's policies and statutes, particularly the Assessment Statute, the Personal Courses of Study Statute, the Statute on Student Conduct and any statutes relating to the particular qualifications being studied; see the Victoria University Calendar or go to www.victoria.ac.nz/home/about/policy/students.aspx For information on the following topics, go to the Faculty's website www.victoria.ac.nz/fca under Important Information for Students:

- Academic Grievances

- Student and Staff Conduct
- Meeting the Needs of Students with Impairments
- Student Support

Academic Integrity and Plagiarism

Academic integrity is about honesty – put simply it means *no cheating*. All members of the University community are responsible for upholding academic integrity, which means staff and students are expected to behave honestly, fairly and with respect for others at all times.

Plagiarism is a form of cheating which undermines academic integrity. The University defines plagiarism as follows:

The presentation of the work of another person or other persons as if it were one's own, whether intended or not. This includes published or unpublished work, material on the Internet and the work of other students or staff.

It is still plagiarism even if you re-structure the material or present it in your own style or words.

Note: including the work of others will not be considered plagiarism as long as the work is acknowledged by appropriate referencing.

Plagiarism is prohibited at Victoria and is not worth the risk. Any enrolled student found guilty of plagiarism will be subject to disciplinary procedures under the Statute on Student Conduct and may be penalised severely. Consequences of being found guilty of plagiarism can include:

- an oral or written warning
- cancellation of your mark for an assessment or a fail grade for the course
- suspension from the course or the University.

Find out more about plagiarism, and how to avoid it, on the University's website: www.victoria.ac.nz/home/studying/plagiarism.html

Manaaki Pihipihinga Programme

Manaaki Pihipihinga is an academic mentoring programme for undergraduate Māori and Pacific students in the Faculties of Commerce and Administration, and Humanities and Social Sciences. Sessions are held at the Kelburn and Pipitea Campuses in the Mentoring Rooms, 14 Kelburn Parade (back courtyard), Room 109D, and Room 210, Level 2, Railway West Wing. There is also a Pacific Support Coordinator who assists Pacific students by linking them to the services and support they need while studying at Victoria. Another feature of the programme is a support network for Postgraduate students with links to Postgraduate workshops and activities around Campus.

For further information, or to register with the programme, email manaaki-pihipihinga-programme@vuw.ac.nz or phone (04) 463 6015. To contact the Pacific Support Coordinator, email pacific-support-coord@vuw.ac.nz.