

INTERNATIONAL BUSINESS

Business

Course contact hours: 45

Recommended credits: 6 ECTS – 3 US

OBJECTIVES

This course focuses on three main areas: the economic foundations of International business, the importance of political, economic, cultural and legal forces which shape business between countries and the internal features of a firm oriented towards International business. The course is designed to provide students with an introductory exposure to the fundamentals of international business. The course provides an overview of the challenges facing businesses as they compete on the global playing field. The course focuses on three main areas:

1. The economic foundations of International business,
2. The importance of political, economic, cultural and legal forces which shape business between countries and the internal features of a firm oriented towards international business.
3. The internal aspects of a firm oriented towards international business.

REQUIREMENTS

- Fluent in English
- Basic knowledge of geography

LEARNING OUTCOMES

1. Analyze international business from a multi-centric perspective.
2. Avoid ethnocentrism and Self Reference Criteria in International Business.
3. Define the key concepts and terminology used in the world of international business.
4. Develop an understanding of the key concepts of market orientation.
5. Understand and appreciate the characteristics of multinational companies.
6. Develop competencies to become an innovator in the international arena.
7. Be able to manage marketing, financial and human resources plans at an international level.
8. Become familiar with the basics of international business relationships.
9. Understand the importance of international operations in a semi-global context.
10. Learn from an applied perspective how to import and export.

Transversal learning outcomes

Build teamwork abilities through group projects and collaborative assignments.

Give and receive constructive feedback to peers.
Develop reading comprehension skills and the ability to synthesize.
Develop oral presentation skills.
Develop critical thinking through case studies analysis.

CONTENTS

The subject is divided into different topics which appear in the provided documentation:
The study of the development of an increasingly integrated global economy marked especially by free trade, free flow of capital, and the tapping of cheaper foreign labor markets.

1. Country Differences in Political Economy

The study and use of how economic theory and methods influences political ideology. Political economy is the interplay between international economics, international law and politics, and how institutions develop in different social and economic systems, such as capitalism, socialism and communism. Political economy analyzes how public policy is created and implemented. In this unit, we analyze this under an international dimension.

2. Cultural role

A key to being successful in business internationally is to understand the role of culture in international business. Whatever sector you are operating in, cultural differences will have a direct impact on your profitability. Improving your level of knowledge of international cultural difference in business can aid in building international competencies as well as enabling you to gain a competitive advantage.

3. Political Economy of International business

Trade barriers, government imposed restriction on the free international exchange of goods or services. Trade barriers are generally classified as import policies reflected in tariffs and other import charges, quotas, import licensing, customs practices, standards, testing, labeling, and various types of certification direct procurement by government, subsidies for local exporters, lack of copyright protection, restrictions on franchising, licensing, technology transfer, restrictions on foreign direct investment , etc.

4. Regional Economics

There are varying levels of economic integration, including preferential trade agreements (PTA), free trade areas (FTA), customs unions, common markets and economic and monetary unions. The more integrated the economies become, the fewer trade barriers exist and the more economic and political coordination there is between the member countries. By integrating the economies of more than one country, the short-term benefits from the use of tariffs and other trade barriers is diminished. At the same time, the more integrated the economies become, the less power the governments of the member nations have to make adjustments that would benefit themselves. In periods of economic growth, being integrated can lead to greater long- term economic benefits; however, in periods of poor growth being integrated can actually make things worse.

5. The International Monetary systems

International monetary systems are sets of internationally agreed rules, conventions and supporting institutions, that facilitate international trade, cross border investment and generally the reallocation of capital between nation states.

6. The Strategy of International business

This unit refers to plans that guide commercial transactions taking place between entities in different countries. Typically, international business strategy refers to the plans and actions of private companies rather than governments; as such, the goal is increased profit.

7. Entry Strategies

There are two major types of entry modes: equity and non-equity modes. The non-equity modes category includes export and contractual agreements. The equity modes category includes: joint venture and wholly owned subsidiaries.

8. Global Marketing and R&D.

Global marketing is “marketing on a worldwide scale reconciling or taking commercial advantage of global operational differences, similarities and opportunities in order to meet global objectives.

TEACHING METHODOLOGY

Most classes will be conducted in lecture format. Lectures start by explaining the topics covered and their relevance. The sessions are designed to be interactive and student participation is highly encouraged. The lectures are combined with case studies (around 7-8) and exercises with the aim of consolidating the knowledge acquired during the lectures.

Constant self-study work outside the class is strongly recommended in order to pass the demanding exams. Students should expect to study a minimum of 40 to 50 hours work outside the class.

The case studies are discussed in plenary and must be prepared in advance, failure to do so will contribute negatively in the class student class participation section.

ASSESSMENT CRITERIA

Case study presentation (group)	10%
Case studies analysis (group)	30%
Class participation and quizzes	10%
Project (group)	10%
Exams	40%

BIBLIOGRAPHY

Required reading:

Hill, C. W. (2007) *International Business: Competing in the Global Marketplace*, 6th Ed., McGraw – Hill.

Recommended reading:

Ghemawat, (2007) *Redefining Global Strategy*, Harvard Business School Press.

Kim, C.; Maugbourne, R. (2006) *The Blue Ocean Strategy: How to Create Uncontested Marketplace and Make the Competition Irrelevant*, Harvard Business School Press.