



## **CIEE Global Institute – Santiago de Chile**

<b>Course name:</b>	Principles of International Business
<b>Course number:</b>	(GI) MGMT 3004 STCH
<b>Programs offering course:</b>	Open Campus
<b>Open Campus Track:</b>	Business
<b>Language of instruction:</b>	English
<b>U.S. semester credits:</b>	3
<b>Contact hours:</b>	45
<b>Term:</b>	Fall 2018

### **Course Description**

This course examines key concepts and debates in contemporary international business, covering a range of topics including a critical deconstruction of the term globalization; the national and supranational alignment and divergence of political, economic, and legal systems; the complexities and nuances of international trade, including import, export, and countertrade; foreign direct investment patterns and strategies; international finance and accounting; organizational structures for international businesses; market entry; global production; and, global complications in human resource management.

### **Learning Objectives**

By completing this course, students will:

- Apply knowledge of critical issues impacting international business activities and the institutions that influence international trade.
- Examine cutting-edge global business knowledge to enhance ability to work within an organization with a culturally diverse workforce or better prepare you for undertaking an international career.
- Critically review the unique opportunities and problems that confront international managers as they navigate through the constantly evolving global economic, political, legal, technological and cultural environments.
- Demonstrate an understanding of foreign exchange markets and the impact of exchange rate fluctuations, as well as skills needed to evaluate foreign market potential and emerging market opportunities, with emphasis on market entry.



- Apply the theories, concepts, and methodologies explored in this class to host environment examples

### **Course Prerequisites**

Students should have completed a level 2000 class in business management or marketing prior to taking this course.

### **Methods of Instruction**

The course will be taught using lectures, seminars, case study discussions, group presentations, as well as field trips to local businesses and relevant organizations. Classroom activities will involve group work and critical discussion groups considering and arguing on key debates facing the international businesses today. Invited guest speakers, entrepreneurs or leading business people, will add to the learning objectives of this course.

### **Assessment and Final Grade**

1.	Quizzes:	20%
2.	Site visit reports:	20%
3.	Research Paper:	20%
4.	Final Exam:	20%
5.	Class participation:	20%
	TOTAL:	100%

### **Course Requirements**

#### **Quizzes**

Students will complete four Quizzes covering chapters we cover in this course. Quizzes are time-limited (25 questions, 40 minutes in each quiz), open-book, open-notes (your notes only). You will have only one attempt for each quiz.



### **Site Visit Reports**

Students will create and submit a succinct 7 minute video recording via FlipGird summarizing the key learning outcomes of each of the three co-curricular site visits. The first two videos are valued at 5% each, with the final, third video valued at 10%. Students in the final video should demonstrate clearly how their readings and course materials apply to the third co-curricular site visit.

### **Research Paper**

Students, on an individual basis, will read and review three research articles related to topics covered in this course and complete the requirements for all three articles. Here are the guidelines for each research article and paper:

- a. Research articles can only come from scholarly peer reviewed academic journals. Articles are not to all come from the same journal nor from the same volume of a given journal.
- b. For each article, you will write a 750 word paper summarizing each article (for a total of 2250 words). The paper(s) should provide a summary of the article, including your own thoughts and reflections. Reports not in your own words will be considered plagiarized and will not be counted for credit. For each article, you need to provide the following (in your own words) and include headings for each section:
  - i. Research Question: a description of the purpose/research question under investigation,
  - ii. Background: a brief discussion of some of the background studies presented in the article's introduction,
  - iii. Method: a clear description of the methodology used,
  - iv. Results: the results that were found;



v. Conclusions: the conclusions that the author(s) drew about the findings, and, finally,

vi. Concept and Evaluation: a paragraph or two identifying the course concept(s) to which the article relates and your own reactions and evaluation of the research reported in the article.

c. The paper should comprise a total minimum word count of 2250, and not exceed 2500 words. All writing is to be characterized by proper spelling, punctuation, grammar, and language.

### **Final Exam**

Students will sit a proctored, open book, essay based exam in the final class session. Students will be presented with three case studies and respond in essay form to four central questions in each case study. Students are expected to demonstrate their ability to analyze the case studies, synthesize the concepts learned in the course and apply them to the case studies. The exam will be delivered using 'text box' entry mode in Canvas. All students must ensure their laptop is fully functional for this exam. If students require an alternative machine, they must contact the academic director's office immediately.

### **Participation**

Participation is valued as meaningful contribution in the digital and tangible classroom, utilizing the resources and materials presented to students as part of the course.

Meaningful contribution requires students to be prepared in advance of each class session and to have regular attendance. Students must clearly demonstrate they have engaged with the materials as directed, for example, through classroom discussions,



online discussion boards, peer-to-peer feedback (after presentations), interaction with guest speakers, and attentiveness on co-curricular and outside-of-classroom activities.

### **Attendance Policy**

Regular class attendance is required throughout the program, and all unexcused absences will result in a lower participation grade for any affected CIEE course. Due to the intensive schedules for Open Campus and Short Term programs, unexcused absences that constitute more than 10% of the total course will result in a written warning.

Students who transfer from one CIEE class to another during the add/drop period will not be considered absent from the first session(s) of their new class, provided they were marked present for the first session(s) of their original class. Otherwise, the absence(s) from the original class carry over to the new class and count against the grade in that class.

For CIEE classes, excessively tardy (over 15 minutes late) students must be marked absent. Attendance policies also apply to any required co-curricular class excursion or event, as well as to Internship, Service Learning, or required field placement. Students who miss class for personal travel, including unforeseen delays that arise as a result of personal travel, will be marked as absent and unexcused. No make-up or re-sit opportunity will be provided.

Attendance policies also apply to any required class excursion, with the exception that some class excursions cannot accommodate any tardiness, and students risk being marked as absent if they fail to be present at the appointed time.

Unexcused absences will lead to the following penalties:



<i>Percentage of Total Course Hours Missed</i>	<i>Equivalent Number of Open Campus Semester classes</i>	<i>Minimum Penalty</i>
Up to 10%	1 content classes, or up to 2 language classes	Participation graded as per class requirements
10 – 20%	2 content classes, or 3-4 language classes	Participation graded as per class requirements; <b>written warning</b>
More than 20%	3 content classes, or 5 language classes	Automatic <b>course failure</b> , and possible expulsion

### **Weekly Schedule**

Please note this schedule is subject to change if opportunities arise to enhance the curriculum.

#### **Week 1      Orientation Week**

Class 1:1      Introduction to class

In this sessions students are afforded a critical re-introduction to the ubiquitous term, Globalization. In this session, students will understand what is meant by the term globalization; recognize the main drivers of globalization; describe the changing nature of the global economy; explain the major arguments in the



debate over the impact of globalization; and, understand how the process of globalization is creating opportunities and challenges for business managers.

Chas. W. Chapter 1. 'Globalization'. In *International Business: Competing in the Global Marketplace*

## **Week 2**

### **Class 2:1 National Difference in Political, Economic and Legal Systems**

International business ventures require knowledge of the nuances of multiple state and supranational entities with complex and interweaving political, economic, and legal systems. In this session students will understand how the political systems of countries differ; understand how the economic systems of countries differ; understand how the legal systems of countries differ; and explain the implications for management practice of national differences in political economy.

Chas. W. Chapter 2. 'National Differences in Political, Economic and Legal Systems'. In *International Business: Competing in the Global Marketplace*

### **Class 2:2 International Trade Theory**

In this session students will understand why nations trade with each other; summarize the different theories explaining trade flows between nations; recognize why many economists believe that unrestricted free trade between nations will raise the economic welfare of countries that participate in a free trade system; explain the arguments of those who maintain that government can play a proactive role in promoting national competitive advantage in certain industries; and, understand the important implications that international trade theory holds for business practice.



Chas. W. Chapter 3. 'National Differences in Political, Economic and Legal Systems'. In *International Business: Competing in the Global Marketplace*

### **Due Date for submission of first Quiz**

### **Week 3**

Class 3:1 Government Policy and International Trade

Students will identify the policy instruments used by governments to influence international trade flows; understand why governments sometimes intervene in international trade; summarize and explain the arguments against strategic trade policy; describe the development of the world trading system and the current trade issue; and, explain the implications for managers of developments in the world trading system.

Chas. W. Chapter 7. In *International Business: Competing in the Global Marketplace*

Class 3:2 Foreign Direct Investment

Using your host city and country as a case study in FDI, students will gain critical insights on current trends regarding foreign direct investment (FDI) in the world economy. A co-curricular site visit will encourage student to apply the different theories of FDI, whilst understanding how political ideology shapes a government's attitudes towards FDI. Furthermore, students will describe the benefits and costs of FDI to home and host countries and explain the range of policy instruments that governments use to influence FDI. Finally, students will identify the implications for managers of the theory and government policies associated with FDI.

Chas. W. Chapter 8. In *International Business: Competing in the Global Marketplace*



**Due Date for first 7 minute FlipGrid video**

Class 3:3      Regional Economic Integration

Students will describe the different levels of regional economic integration; understand the economic and political arguments for regional economic integration; understand the economic and political arguments against regional economic integration; explain the history, current scope, and future prospects of the world's most important regional economic agreements; and, understand the implications for business that are inherent in regional economic integration agreements.

Chas. W. Chapter 9. In *International Business: Competing in the Global Marketplace*

**Due date for submission of second quiz**

**Week 4**

Class 4:1      The International Monetary System

DESCRIBE the historical development of the modern global monetary system; explain the role played by the world bank and the IMF in the international monetary system; compare and contrast the differences between a fixed and a floating exchange rate system; identify exchange rate regimes used in the world today and why countries adopt different exchange rate regimes; understand the debate surrounding the role of the IMF in the management of financial crises; and, explain the implications of the global monetary system for currency management and business strategy.

Chapter 11: "The International Monetary System"

Class 4:2      The Strategy of International Business



EXPLAIN the concept of strategy; RECOGNIZE how firms can profit from expanding globally; UNDERSTAND how pressures for cost reductions and pressures for local responsiveness influence strategic choice; and, IDENTIFY the different strategies for competing globally and their pros and cons.

Chapter 13: “The Strategy of International Business”

**Due date for submission of third quiz**

Class 4:3      The Organization of International Business

In this session, student learning is enhanced by co-curricular visit to an organization engaged in international business. Students will explain what is meant by organizational architecture; describe the different organizational choices that can be made in an international business; explain how organization can be matched to strategy to improve the performance of an international business; and, discuss what is required for an international business to change its organization so that it better matches its strategy.

Chapter 14: “The Organization of International Business”

**Due Date for Submission of second 7 minute FlipGrid video**

**Week 5**

Class 5:1      Entry Strategy and Strategic Alliances

In this session, students will explain the three basic differences that firms contemplating foreign expansion must make: which markets to enter, when to enter those markets, and on what scale. Additionally, students will compare and contrast the different modes that firms use to enter foreign markets; identify the factors that influence a firm’s choice of entry mode; recognize the pros and cons of acquisitions versus greenfield ventures as an entry strategy; and, evaluate the



pros and cons of entering into strategic alliances. Students will visit an export based business as a key component of this class.

Chapter 15: “Entry Strategy and Strategic Alliances”

**Due date for submission of third 7 minute FlipGrid video**

Class 5:2      Exporting, Importing, and Countertrade

Global business engagement requires an ability to navigate the complex barriers to the movement of goods and commodities. In this session students will explain the promises and risks associated with exporting; identify the steps managers can take to improve their firm’s export performance; identify information sources and government programs that exist to help exporters; recognize the basic steps involved in export financing; and, describe how countertrade can be used to facilitate exporting.

Chapter 16: “Exporting, Importing, and Countertrade”

Class 5:3      Global Production and Supply Chain Management

Students will explain why production and logistics decisions are of central importance to many multinational businesses; explain how country differences, production technology, and product features all affect the choice of where to locate production activities; recognize how the role of foreign subsidiaries in production can be enhanced over time as they accumulate knowledge; identify the factors that influence a firm’s decision of whether to source supplies from within the company or from foreign suppliers; understand the functions of logistics and purchasing (sourcing) within global supply chains; and, describe what is required to efficiently coordinate a globally dispersed production system.

Chapter 17: Global Production and Supply Chain Management



## **Due date for submission of research paper**

### **Week 6**

#### **Class 6:1 Global Human Resource Management**

SUMMARIZE the strategic role of human resource management in the international business; IDENTIFY the pros and cons of different approaches to staffing policy in the international business; EXPLAIN why managers may fail to thrive in foreign postings; RECOGNIZE how management development and training programs can increase the value of human capital in the international business firm; EXPLAIN how and why performance appraisal systems might vary across nations; UNDERSTAND how and why compensation systems might vary across nations; and, UNDERSTAND how organized labor can influence strategic choices in international business firms.

Chapter 19: "Global Human Resource Management"

#### **Class 6:2 Accounting and Finance in the International Business**

In this penultimate session students will discuss the national differences in accounting standards; explain the implications of the rise of international accounting standards; explain how accounting systems impact upon control systems within the multinational enterprise; discuss how operating in different nations impacts investment decisions within the multinational enterprise; discuss the different financing options available to the foreign subsidiary of a multinational enterprise; understand how money management in the international business can be used to minimize cash balances, transaction costs, and taxation; and, understand the basic techniques for global money management.

Chapter 20: "Accounting and Finance in the International Business"

## **Due date for submission of fourth quiz**



Class 6:1      Final Exam

Students will sit a 2.5 hour exam. All students must ensure their laptop is fully charged and functional, and that their Canvas account is fully accessible.

**Due date for final exam**

**Readings**

Chas. W. Hill & G. Tomas M. Hult. 2017. International Business: Competing in the Global Marketplace. Hill, McGraw-Hill Publisher (11th ed.).