



**International Business (EC 505)
PGDM-IV [2013-2015]**

Course Outline and Session Plan

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Course Introduction

The size and growth of international trade in the last four decades aided by technological sophistication has forced business houses to adapt to the changes to meet demands and challenges of modern business environment. In this increasingly globalized world, business houses have to deal with competition which has multidimensional aspects with large implications for profitability. Also, the operating dimensions of firms have increased spatially and it is commonplace to find firms operating from varied geographies where they are exposed to various geo-economics and geopolitical environment. This course makes an attempt to expose students to complex social, political and economic factors under which individuals and firms need to make decisions to remain relevant for their stakeholders in today's fiercely competitive global environment.

Course Objectives:

At the end of the course, the student will:

- Have an understanding of deeply interconnected political, cultural and economic contexts in which business houses operate and remain relevant to maximize shareholders' wealth.
- Gain an understanding of global trade and investment regimes where they currently operate.
- Relate to ongoing developments in the international business environment.
- Be able to apply the knowledge gained to a real life situation involving a firm with global operations.
- Learn the intricacies of sound managerial decisions in complex and ambiguous international business scenarios.

Pedagogy

Though the issues in international business are broad and complex, this course will try to assist students to make a start in understanding the international business environment. As a first step, the course will concentrate on simply describing multiple dimensions of internationalization and complexities thus involved in international business of a firm. The next step will focus on a number of conceptual issues: spatial organization; the structure of political systems and organizations; the interaction effects among business houses and the processes that have brought about internationalization. Also, emphasis will be given to have a grip on just what it means to effect changes in traditional systems of running business, organizations, and processes – the explication of the goals, strategies, and tactics of decision and action. The course will be delivered through a combination of lectures and classroom discussions and six case discussions. Depending on the interest levels of students a couple of movies that deal with multicultural, geopolitical environment and international business may be screened (outside lecture session hours). Students are expected to take group exercises to develop further insights to contemporary developments and implications of international business. Students must come prepared for the class by reading the prescribed materials. Power point slides of class lectures and all other relevant materials will be shared with students.

Course Reading Materials

Text book(s)

INTERNATIONAL BUSINESS: Aswathappa K (2012): Tata McGraw Hill, New Delhi, 5th edition.

Reference book(s)

1. INTERNATIONAL BUSINESS: Charles W.L Hill (2012): Tata McGraw Hill New Delhi; 8th edition.
2. MULTINATIONAL MANAGEMENT: A STRATEGIC APPROACH: Cullen, John B and K Praveen Parboteeah (2008): South-Western Publishers; 4th edition

Internet Sources:

There are several websites that have interesting information and analysis pertaining to international business. The students will be advised to follow specific websites from time to time. Also, government websites of India and other countries need to be followed to update relevant international business related and macro-economic parameters.

List of Cases

Case 1: –L’Oreal and the Globalization of American Beauty, HBS: 9-805-086.

Case 2: – BP’s Macondo: The Spill and Response, HBS: 9-711-021.

Case 3: Bella Health Care India, HBS: 4440

Case 4: – Jollibee Foods Corporation (A), HBS: 9-399-007.

Case 5: Hitting the Wall: Nike and International Labour Practices, HBS: 9-700-047

Case 6: House of Tata: Acquiring a Global Footprint, HBS: 9-708-446

Evaluation Criteria

The evaluation for the course will have various components like quizzes, class presentation, End-term and Mid-term examinations as well as class participation. The final grade will be calculated based on following:

Components		Weight
01	End Term Exam	30%
02	Mid-Term Exam	20%
03	Quiz (2)	20%
04	Individual Class participation*	10%
05	Assignment/Class Presentation (2)	20%

*The student is expected to come prepared to class by reading the materials provided by faculty and constructively contribute to class discussions. Similarly, for case discussions, the student is expected to read the case and advised to surf the net to have a grip on specific case-related company (and its competitors) and contribute to the discussion. The students are advised to keep themselves updated on any latest news/happenings nationally/internationally. The student is expected to be proactive in enriching the discussion for this component. Please note that *mere attendance* has no weightage for this component.

Session Plan: International Business (EC-505)

Session	Topic	Readings
Module -1: Introduction and Nature of International Business		
1-2	<p><u>Topic:</u> Introduction to International Business; Evolution of International Business; Drivers of International Business; Globalization and International Business</p> <p><u>Objective:</u> To make the student conversant with evolution of international Business and Strategies of taking business to global platform.</p> <p><u>Activities:</u> Class room discussion; Examples to clarify the concepts;</p> <p>Case: L’Oreal and the Globalization of American Beauty</p> <p><u>Takeaways:</u> The student will learn the intricacies involved in international business</p>	<p>K. Aswathappa Part-1, Chapter -1 from the textbook.</p> <p>Any additional materials provided by the faculty prior to the class</p>
Module-2: Political, Legal and Cultural Environment		
3-6	<p><u>Topic:</u> Business Environment; Political Environment; Political Risks; Legal Environment; International Law and Business; Cultural Environment; Managing Across Cultures and Negotiating across cultures</p> <p><u>Objective:</u> To make student learn importance of political, legal and cultural environment in the context of international relations and business</p> <p><u>Activities:</u> Class-room discussions; Case discussions</p> <p>Case: BP’s Macondo: The Spill and Response</p>	<p>K. Aswathappa Part-2, Chapter -5; Chapter6, Chapter-7 and Chapter-8 from the textbook.</p> <p>Any additional materials provided by the faculty prior to the class</p>

	<p><u>Takeaways:</u> The student will learn various aspects and environment in which managerial decisions are taken when the company operates internationally</p>	
<p>Module-3: Technology and Economic Environment</p>		
7-8	<p><u>Topic:</u> Role of Technology in International Business; International Technology Transfers; Cross Country environment and International Business; Economic Transition and International Business</p> <p><u>Objective:</u> To make student appreciate the importance of technological and cross country economic environment in international cooperation and competition in a globalised scenario.</p> <p><u>Activities:</u> Classroom Discussions; Case discussions;</p> <p>Case: Bella Health Care India</p> <p><u>Takeaways:</u> The student will learn how to take sound business decisions in varying stages of technological advancement and economic transition of participant countries.</p>	<p>K. Aswathappa Part-2, Chapter -9 and Chapter-10 from the textbook.</p> <p>Any additional materials provided by the faculty prior to the class</p>
<p>Module-4: Theories of International Trade and International Business</p>		
9-11	<p><u>Topic:</u> Benefits from Trade; Global Trade Theories; Organizations and Structures; Major Issues in International Trade; Regulatory Bodies and International Business</p> <p><u>Objective:</u> To provide an understanding of Trade agreements which have helped in growth of international business</p> <p><u>Activities:</u> Class room discussions; Case Discussions</p>	<p>K. Aswathappa Part-1, Chapter -3 and Part 3, Chapter-16 from the textbook.</p> <p>Any additional materials provided by the faculty prior to the class</p>

	<p><u>Takeaways:</u> The student will learn how business decisions are severely impacted by International regulating bodies and cross cultural settings</p>	
<p>Module-5: Foreign Direct Investment and International Business</p>		
12-13	<p><u>Topic:</u> Foreign Direct Investment. Investment Decisions in International Business. India and FDI; Policy Framework of FDI; FDI and International Business</p> <p><u>Objective:</u> To make student understand vulnerability of countries in the context of international business and role of FDI in strengthening economies and international cooperation and competition</p> <p><u>Activities:</u> Class room discussion and case discussions</p> <p>Case: Jollibee Foods Corporation</p> <p><u>Takeaways:</u> The student will learn the intricacies and inter-relationship of FDI and International Business.</p>	<p>K. Aswathappa Part-1, Chapter -4 from the textbook.</p> <p>Any additional materials provided by the faculty prior to the class</p>
<p>Module-6: Social Responsibility and Ethics in International Business</p>		
14-15	<p><u>Topic:</u> Social responsibility and CSR debate; Business Ethics; Ethical Decision making; Ethical Business decisions and International Business</p> <p><u>Objective:</u> To make the student conversant with issues in ethics and its importance for management of MNCs and transnational business.</p> <p><u>Activities:</u> Classroom discussions; Case discussions</p> <p>Case: Hitting the Wall: Nike and International Labour Practices</p> <p><u>Takeaways:</u> The student will learn how sound and ethical business decisions can be taken in ambiguous, hostile and</p>	<p>K. Aswathappa Part-5, Chapter -23 from the textbook.</p> <p>Any additional materials provided by the faculty prior to the class</p>

	conflicting business environment.	
Module-7: International Strategic Management		
16-18	<p><u>Topic:</u> Nature and Process of International Strategic Management; Strategy Formulation and Implementation; Strategic alliances; Economic consideration of Strategic alliances; Strategic Issues in International Business</p> <p><u>Objective:</u> To make the student conversant with issues involved in formulating and successfully implementing strategies for international business</p> <p><u>Activities:</u> Classroom Discussions and Case discussions</p> <p>Case: House of Tata: Acquiring a Global Footprint</p> <p><u>Takeaways:</u> The student will learn how to take strategic decisions in ever changing international business environment</p>	<p>K. Aswathappa Part-3, Chapter -11, Chapter-13 and Chapter-14 from the textbook.</p> <p>Any additional materials provided by the faculty prior to the class</p>
Class Presentations		
19-20	Class Presentations	