



**INTERNATIONAL MANAGEMENT INSTITUTE, BHUBANESWAR**

**Post Graduate Diploma in Management**

**International Business (EC 505)**

**3 Credit Course**

**Session Duration: 90/180 minutes**

**Term – V**

**2017-19**

**Batch-II**

### **Course Outline and Session Plan**

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**Academic Year 2018-19**

#### **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-economic and geopolitical environments. This course makes an attempt to expose students to complex social, political and economic factors under which individuals firms need to make decisions to remain relevant for their stakeholders in today's fiercely competitive global environment.

#### **Learning Outcomes:**

At the end of the course, the student will be able:

1. To gain an understanding of global trade and investment regimes which are crucial to growing international business.
2. To relate ongoing developments in the international business environment.
3. To comprehend intricacies of sound managerial decisions in complex and ambiguous international business scenarios.

4. To apply the knowledge gained in real life situations for MNCs operating from complex heterogeneous political, social and cultural environment.
5. To have an understanding of deeply interconnected political, cultural and economic contexts in which business houses operate to remain relevant to maximize shareholders' wealth.

### **Pedagogy**

Though the issues in international business are broad and complex, this course will try to assist students to understand global business environment. As a first step, the course will concentrate on simply describing multiple dimensions of internationalization and complexities thus involved in international business for 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, classroom deliberations and discussion on a few case studies. 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 will be assigned 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 study materials will be shared with students in O:\ drive.

### **Reference books**

1. INTERNATIONAL BUSINESS: Aswathappa K (2015): McGraw Hill Education, New Delhi, 6<sup>th</sup> edition.
2. INTERNATIONAL BUISNESS: Competing in the Global Market Place: Charles W L Hill (2013): McGraw Hill Irwin, 9th edition.

### **Internet and Other Sources:**

There are several websites that have interesting information and analysis pertaining to international business. The websites of WTO, UNCTAD, IMF and World Bank should be followed by the students. Apart from these websites, the students will be advised to follow specific websites depending on contemporary developments in international business. 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

### **Evaluation Criteria**

The evaluation for the course will have various components like Quizzes, Group Term Paper Class presentations, 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	40%
02	Mid-Term Exam	20%
03	Quiz (2)	20%
04	Group Term Paper*	10%
05	Group Presentation**	10%

\*The group Term paper will be announced and assigned during the course. The guidelines regarding the term paper will be intimated to students.

\*\* The term paper prepared by the group will be presented in the class. The guidelines for presentation will be intimated in advance.

## **Session Plan: International Business (EC-505)**

<b>Session</b>	<b>Topic</b>	<b>Learning Outcomes</b>	<b>Readings</b>
1-3	Introduction to International Business <ul style="list-style-type: none"> <li>➤ Evolution of International Business</li> <li>➤ Drivers of International Business</li> <li>➤ Globalization and MNCs</li> </ul>	LO-1 and LO-4	Part-1, Chapter -1 from the first book in the list (Aswathappa) Part-1, Chapter 1 from Charles W L Hill  <b>Case:</b> L'Oreal and the Globalization of American Beauty
4-6	Political and Legal Environment <ul style="list-style-type: none"> <li>➤ Business Environment</li> <li>➤ Political Environment</li> <li>➤ Political Risks</li> <li>➤ Legal Environment</li> <li>➤ International Law and Business</li> </ul>	LO-3 and LO-5	Part-2, Chapter -5 from the first book in the list (Aswathappa)  <b>Case:</b> BP's Macondo: The Spill and Response
7-8	Cultural Environment and International Business <ul style="list-style-type: none"> <li>➤ Cultural Environment</li> <li>➤ Managing Across Cultures</li> <li>➤ Negotiating across cultures</li> </ul>	LO-3, LO-4 and LO-5	Part-2, Chapter 6, Chapter-7 and Chapter-8 from the first book in the list (Aswathappa).  <b>Case:</b> Bella Healthcare India
9-10	Technology and Economic Environment <ul style="list-style-type: none"> <li>➤ Role of Technology in International Business</li> <li>➤ International Technology Transfers</li> <li>➤ Cross Country environment and International Business</li> <li>➤ Economic Transition and International Business</li> </ul>	LO-1 and LO-2	Part-2, Chapter -9 and Chapter-10 from the first book in the list (Aswathappa)
11-12	MNCs and Global Trade Theories <ul style="list-style-type: none"> <li>➤ Benefits from Trade</li> <li>➤ Global Trade Theories</li> <li>➤ Organizations and Structures</li> <li>➤ Major Issues in International Trade</li> </ul>	LO-1, LO -3 and LO-5	Part-1, Chapter -2 and 3; Part 3, Chapter-16 from the first book in the list (Aswathappa)  Part-3, Chapter 6 of the Charles W L Hill

	➤ Regulatory Framework and Bodies		
13-14	FDI and International Business <ul style="list-style-type: none"> <li>➤ Foreign Direct Investment</li> <li>➤ Investment Decisions in International Business</li> <li>➤ India and FDI</li> <li>➤ Policy Framework of FDI</li> <li>➤ Trends in FDI Movements</li> </ul>	LO-2 and LO-4	Part-1, Chapter -4 from the first book of the list (Aswathappa).  Chapter 8 from the 2 <sup>nd</sup> book in the list (Hill)
15-17	Global Monetary System and International Business <ul style="list-style-type: none"> <li>➤ International Monetary System</li> <li>➤ Foreign Exchange Market</li> <li>➤ Global Capital Market</li> </ul>	LO-1, LO-2, LO- 3 and LO-5	Part-4, Chapter -10,11 and 12 from Charles W L Hill
18	International Strategic Management <ul style="list-style-type: none"> <li>➤ Nature and Process</li> <li>➤ Strategy Formulation and Implementation</li> <li>➤ Strategic alliances</li> <li>➤ Economic consideration of Strategic alliances</li> <li>➤ Strategic Issues in International Business</li> </ul>	LO-3 and LO-5	Part-3, Chapter -11, Chapter-13 and Chapter-14 from the first book in the list (Aswathappa)
19-20	<b>Overall Summing up of the Course and Group presentations</b>	LO-1, LO-2, LO-3, LO-4 and LO-5	As per guidelines