

Course Description**GEB2350 | Introduction to International Business | 3.00 credits**

Provides an overview of the cultural environment of international business and the institution which affects business today. International economic, political, and trade issues are analyzed in the context of socio-economic goals and policies of the nations involved.

Course Competencies:

Competency 1: The student will appreciate the rapid change in global business by:

1. Discovering the dramatic internationalization of markets
2. Describing the various names given to firms that have substantial operations in more than one country
3. Appreciating the profound effect of the Internet on many international business firms
4. Identifying the five kinds of drivers that are leading international firms to the globalization of their operations
5. Contrasting international business and domestic business
6. Describing the three environments, domestic, foreign, and international, in which an international company operates

Competency 2: The student will demonstrate knowledge of trading and investing in international business by:

1. Identifying the direction of trade or who trades with whom
2. Recognizing the value of analyzing trade statistics
3. Explaining the size, growth, and direction of U. S. foreign direct investment
4. Identifying sources and sizes of investments in the United States
5. Outlining the reasons for entering foreign markets
6. Discovering the weaknesses in using GNP per capita to compare economies
7. Identifying the international entry methods

Competency 3: The student will analyze and interpret the economic theories of international business by:

1. Describing the arguments for imposing trade restrictions
2. Explaining tariff and non-tariff trade barriers
3. Stating the agreements reached during the Uruguay Round
4. Identifying the typical characteristics of developing nations
5. Explaining some of the theories of foreign direct investment

Competency 4: The student will demonstrate knowledge of international organizations by:

1. Explaining the activities of the United Nations
2. Explaining the three significant parts of the World Bank: its regular loan window, its International Finance Corporation, and its International Development Association
3. Explaining the activities of the International Monetary Fund
4. Understanding the activities of the European Bank for Reconstruction and Development
5. Comparing the successes and failures of the regional development banks
6. Explaining recent developments at the Bank for International Settlements
7. Comparing the powers and activities of the World Trade Organization with those of the General Agreement on Tariffs and Trade
8. Identifying the opportunities and obstacles facing the European Union
9. Understanding the potential for the North American Free Trade Agreement
10. Identifying the uses of the Organization for Economic Cooperation and Development for business and students

Competency 5: The student will demonstrate knowledge of the International Monetary System by:

1. Evaluating the historical and present uses and attractiveness of gold
2. Describing the balance of payments

3. Comparing the relative strengths and weaknesses of currencies and the reasons for them
4. Contrasting and comparing the “Big McCurrencies” and the purchasing power parity theory
5. Identifying the world's major foreign exchange (Fx) markets
6. Explaining the central reserve asset/national currency conflict of the U.S. dollar and reasons and uses for special drawing rights (SDRs)
7. Describing the European Monetary System’s (EMS) purposes and difficulties
8. Explaining the purpose of the euro

Competency 6: The student will demonstrate knowledge of the financial forces that influence international business by:

1. Identifying foreign exchange (Fx) quotations, including cross rates
2. Recognizing currency exchange risks
3. Distinguishing financial forces such as balance of payments, tariffs, taxes, inflation, fiscal and monetary policies, and differing accounting practices
4. Explaining sovereign debt, its causes, and its solutions
5. Evaluating credit risk in a Third World country
6. Evaluating the international investment position of the United States

Competency 7: The student will evaluate the economic and socioeconomic forces by:

1. Explaining the purpose of economic analyses
2. Recognizing the economic and socioeconomic dimensions of the economy
3. Evaluating the importance of a nation’s consumption patterns and of purchasing power parity
4. Identifying the factors that cause changes in hourly wage rates
5. Evaluating the consequences for businesspeople of large foreign debts
6. Analyzing the reasons for the worldwide downward trend in birthrates and evaluate its implications for businesspeople

Competency 8: The student will demonstrate knowledge of the physical and Environmental forces by:

1. Describing the relevance to businesspeople of four elements of geography: location, topography, climate and natural resources
2. Identifying the importance of a country’s location in political and trade relationships
3. Identifying surface features contributing to economic, cultural, political and social differences among nations and among regions of a single country
4. Explaining the importance of inland waterways and outlets to the sea
5. Recognizing that climate exerts a broad influence on business
6. Describing the importance of discovery and the use of mineral resources and energy sources
7. Relating to the impact of industrial disasters on global and multinational firms

Competency 9: The student will demonstrate knowledge of the socio-cultural forces by:

1. Discovering the significance of culture for international business
2. Identifying the socio-cultural components of culture
3. Explaining the significance of religion to businesspeople
4. Discovering the cultural aspects of technology
5. Predicting the pervasiveness of the Information Technology Era
6. Comparing and contrasting the impact of the “brain drain” and the “reverse brain drain” on developed and developing nations
7. Explaining the importance of the ability to speak the local language
8. Distinguishing the two classes of relationships within a society

Competency 10: The student will demonstrate knowledge of the political forces by:

1. Identifying ideological forces and describing the terminology used in discussing them
2. Appraising the privatization trend by governments
3. Naming the sources and reasons for terrorism and the methods and growing power of terrorists. Naming steps to be taken by business executives to protect themselves from terrorists

4. Interpreting the importance of government stability and policy continuity to business
5. Evaluating the power sources of international organizations, labor unions, and international companies
6. Identifying country risk assessment by international business

Competency 11: The students will demonstrate knowledge of the legal forces affecting business by:

1. Describing the complexity of the legal forces that confront international business
2. Explaining enforcement of antitrust laws
3. Demonstrating the importance of tariffs, quotas, and other trade obstacles to international business
4. Examining the risk of product liability legal actions
5. Examining the effects of price and wage controls, labor laws, and currency exchange
6. Explaining the importance of being aware of local law
7. Describing contract devices and institutions that assist in interpreting or enforcing international contracts
8. Identifying the need and methods to protect your intellectual properties
9. Relating how industrial espionage affects international business
10. Comparing and contrasting the US laws and practices on American International Corporations with other countries' laws and practices

Competency 12: The student will demonstrate knowledge of labor forces affecting international business by:

1. Identifying forces beyond management control that affect the availability of labor
2. Identifying the political and economic reasons that cause people to flee their home countries
3. Demonstrating why refugees are a source of labor and a burden for the countries they flee
4. Describing guest workers and problems that may develop because of them
5. Explaining how the composition of a country's labor force affects productivity
6. Naming other forces that affect productivity
7. Explaining women's positions in labor forces. h. Identifying differences in labor unions from country to country
8. Explaining how labor is getting a voice in management

Competency 13: The student will demonstrate knowledge of competitive and distributive forces affecting international business by:

1. Identifying why international competition has increased among the United States, Japan, the EU and Asian nations
2. Identifying the areas in which the United States remains vulnerable to foreign competition according to the Council on Competitiveness
3. Describing the responsibilities of government, management, labor, and consumers in maintaining the international competitiveness of the United States
4. Explaining the competitive environment in Japan, EU, and the developing nations, including the NIEs.
5. Identifying the magnitude and danger of product counterfeiting
6. Describing the importance of industrial espionage
7. Describing the sources of competitive information
8. Naming the channel members available to companies that export indirectly or directly or manufacture overseas
9. Explaining the structural trends in wholesaling and retailing

Competency 14: The student will demonstrate knowledge in assessing and analyzing markets by:

1. Explaining environmental analysis and a modified version, market screening, used for market assessment and analysis
2. Explaining market indicators and market
3. factors. Describing the statistical techniques for estimating market demand and grouping similar markets.
4. Applying the value of trade missions and trade fairs to businesspeople
5. Discussing some of the problems market researchers encounter in foreign markets
6. Explaining the purpose of an international management information system (MIS)
7. Identifying the sources of information for the screening process
8. Appreciating the utility of the Internet as a source of market research data

Competency 15: The student will demonstrate knowledge in marketing internationally by:

1. Identifying the differences between marketing domestically and marketing internationally
2. Explaining the reason for the marketing mix standardization regionally or worldwide
3. Explaining why standardizing the marketing mix worldwide is often impossible
4. Distinguishing between the total product, the physical product, and the brand name
5. Explaining why consumer products generally require greater modification for international sales than industrial products or services
6. Explaining how the environmental forces affect the marketing mix
7. Discuss the product strategies that can be formed from three product alternatives and three kinds of promotional messages
8. Explaining global advertising strategies
9. Identifying the intricacies of transfer pricing
10. Discuss the distribution strategies of international marketers
11. Describing the channel selection process of international marketers

Competency 16: The student will demonstrate knowledge of export and import practices by:

1. Explaining why firms export
2. Describing the three problem areas of exporting
3. Identifying the sources of export counseling
4. Describing the main elements of the export sales assistance program of the U. S. Department of Commerce
5. Discussing the meaning of the various terms of sale
6. Identifying some sources of export financing. g. Describing the activities of a foreign freight forwarder
7. Identifying the kinds of export documents required
8. Discussing some innovations in materials handling in sea and air transport
9. Identifying import sources
10. Describing the activities of a customhouse broker
11. Explaining the Harmonized Tariff Schedule of the United States (HTSUSA)

Competency 17: The student will demonstrate knowledge of human resources management by:

1. Identifying some of the regional and or cultural differences in labor conditions, we shall present
2. Comparing economies at job creation and unemployment rates
3. Identifying the difficulties of finding qualified executives for international companies (ICs) and the importance of foreign language knowledge
4. Comparing home country, host country, and third-country nationals as IC executives
5. Describing the growing role of women in international business
6. Explaining the increasing importance of accommodating the trailing spouse of an expatriate executive
7. Identifying some of the complications of compensation packages for expatriate executives

Competency 18: The student will demonstrate knowledge in financial management by:

1. Identifying the changes in countries' currencies' value in terms of each other
2. Explaining how currency value changes affect international business transactions
3. Identifying the tremendous importance of financial management to an international company (IC)
4. Discussing financial management tools
5. Demonstrating how financial executives meet, network, and cooperate with their counterparts in other organizations to protect and/or benefit their organizations in derivatives operations
6. Explaining why exporters sometimes accept payment in forms other than money
7. Differentiating between hard, convertible currencies and soft, nonconvertible ones
8. Explaining the growing importance of international finance centers to ICs

Competency 19: The student will demonstrate knowledge of global operations management by:

1. Describing the five global sourcing arrangements
2. Identifying the importance of the added costs of global sourcing

3. Explaining the Japanese efforts to improve quality and lower costs
4. Describing the just-in-time (JIT) production system. e. Identifying the problems with JIT
5. Explaining synchronous manufacturing
6. Identifying the objectives of the Malcolm Baldrige Award. h. Identifying the impediments to global standardization of production processes and procedures
7. Explaining the importance of intermediate and appropriate technology
8. Identifying the two general classes of productive and supportive activities that must be performed in all manufacturing systems

Competency 20: The student will demonstrate knowledge of strategic planning, organizational Design, and control of the Firm by:

1. Describing the steps in the global strategic planning process
2. Describing the purpose of corporate mission statements, objectives, quantified goals, and strategies
3. Describing the new directions in strategic planning
4. Discussing the various organizational forms
5. Describing the concept of the virtual corporation
6. Explaining why decisions are made where they are among parent and subsidiary units of an international company (IC)
7. Explaining how an IC can maintain control of a joint venture or a company in which the IC owns less than 50 percent of the voting stock
8. Listing the types of information an IC needs to have reported to it by its units worldwide
9. Explaining why successful managers must sometimes relinquish control in a world out of control, as the Internet exemplifies

Learning Outcomes:

- Communicate effectively using listening, speaking, reading, and writing skills
- Use quantitative analytical skills to evaluate and process numerical data
- Formulate strategies to locate, evaluate, and apply information