



BUS 316 E: INTERNATIONAL BUSINESS AND EMERGING MARKETS

There is no longer any such thing as a purely national economy. The rest of the world is just too big to ignore, either as a market or as a competitor. The global economy is becoming ever more closely integrated - a process usually referred to as globalization. Cross-border trade and investment have continued to increase through the 1990s-2000s. Yet, differences in economic, political and socio-cultural environments around the world challenge managers with opportunities and risks. As new communication technologies and global migration are bringing diverse people closer together, debates about cultural identity and differences are becoming more prominent than ever. To help students understand the intricacy of the global economy, learning objectives of this course are: (1) to understand the current important trade and investment trends (2) to develop the ability to comprehend international economic and financial issues (3) to understand the role of cultural differences that affect international businesses (4) to learn how the foreign exchange market works and to understand the role of the global monetary system (5) to examine MNCs' strategies and behaviors to enhance competitiveness in the areas of manufacturing, marketing, and human resource management.

Since there has been an explosion in the volume of world trade over the past thirty years, it is essential for business people to understand why this has happened and what impact the globalization of business has had on large firms and small firms, as well as on U.S. government trade and foreign policy towards other countries.. Whether you work for a large MNC or for a small rural enterprise, international trade offers both opportunities of new market or new sources of supply, and the threat of competition from foreign firms entering the market.

Another important issue is that more companies today are thinking of emerging markets and making them part of their international strategies because the high rate of growth these markets can generate. Growth in countries like India, China, Brazil, and Russia continue to rise and becoming very attractive to American and European Multinational Corporations. Emerging countries account today for more than half the of global economic output and over 45% of the world exports.

This course is also designed to combine lectures with in-class group exercises and case discussion. Students will learn how to react to situations that multinational firms face in their international operations. On occasion, videos will be used to complement the lecture and stimulate class discussion.

The means to attain these objectives include a thorough study of class notes, case analysis, and in-class small group discussions. The textbook will be used as a guideline. Reading assignments will be given daily. **DO NOT** attempt to pass quizzes and examinations by just reading the textbook. Material for quizzes and examinations will be from lectures, cases, and group discussions.

Grading System:

Midterm Examination 25%

Final Examination 25%

Case Studies 5%

Quizzes 20%

Presentation (and paper*) 15%

Attendance & Attitude 10%

Note: All assignments, quizzes, and examinations will be announced in class.

* A **paper** will only be necessary if required by your university or college. It will be 7- 12 pages and will cover the presentation.

Class Attendance is mandatory: students will be allowed to have 3 unjustified absences. Half a point will be deducted from your final (Spanish) grade for any unjustified absence beyond 3.

COURSE OUTLINE

UNIT I: THE GLOBALIZATION OF BUSINESS

- The Concept of FDI
- Benefits of Entering Foreign Markets
- The Concept of International Business
- Different Types of International Business
- Environments in International Business

UNIT II: INTRODUCTION TO EMERGING MARKETS

- Emerging markets defined
- Reasons for investing in emerging markets
- Classification of emerging markets
- Facts on emerging markets

UNIT III: UNDERSTANDING CULTURE AND ITS DIFFERENT ELEMENTS

- The Concept of Culture
- Culture and International Managers
- Values and Attitudes
- Language
- Religion
- Aesthetics
- Education

UNIT IV: GLOBALIZATION AND EMERGING MARKETS

- The concept of globalization

- Pros for globalization
- Cons for globalization
- Corporate Power, Facts, and Stats. (Global Issues. Corporations)
- Hunger, Income, and Inequalities.

UNIT V: INTERNATIONAL TRADE, TRADING AND FINANCING INSTITUTIONS.

- Explain why nations trade. Comparative Advantage
- WTO
- Asian Development Bank
- The world bank
- Other Institutions Belongs to the World bank
 - o International Bank for Reconstruction and Development
 - o International Development Association)
 - o International Finance Corporation
 - o MIGA
 - o International Center for Settlement of Investments Disputes

UNIT VI: ECONOMIC ENVIRONMENT OF MNC (Video WTO)

- Classification of Economies.
- Economic Systems
- Types of Capitalism
- Stages of Economic Development
- Looking for healthy welcoming economies.
- Regional Trade Agreements and Economic Integration)
- Economic Indicators
- Demographics
- World Economic Goals
- Where to Invest/Where not to invest.

UNIT VII STRATEGIES FOR EMERGING MARKETS

- WhyMNC companies fail in Emerging Markets
- Tips for investing in emerging markets
- Traps for investing in emerging markets

UNIT VIII: INTERNATIONAL BUSINESS RISKS

- Country Risk
- Political Risk
- Currency Risk
- Economic Risk
- Credit Rating Agencies

UNIT IX: COMMUNICATING ACROSS CULTURE: LANGUAGE, NONVERBAL COMMUNICATION WRITTEN COMMUNICATION

- The Global Business Language
- English: Similar Differences

- Avoiding the Pitfalls of Slang
- Telephone Etiquette
- Basic Body Linguistics
- Reading Reactions in Different Cultures
- Gestures Around the World
- Business Writing Tips
- The Translation Process
- International Fax-email

UNIT X: RESEARCHING EMERGING MARKETS

- Understanding the market
- Understanding the political and the legal environment
- Understanding the business environment
- The internal audit

UNIT XI: INTERNATIONAL BUSINESS STRATEGIES

- Strategic alliances
- Core Competency leveraging
- Counter strategies
- “Glocalization”

UNIT XII: INTERNATIONAL HUMAN RESOURCE MANAGEMENT

- Sources of international managers
- Managers selection
- Selection methods
- Preparing Managers for international assignments
- Compensating international managers

UNIT XIII: DOING BUSINESS IN CHINA-INDIA

UNIT XIV: DOING BUSINESS IN RUSSIA-BRAZIL