

Management 375.400 & 375.401
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INTERNATIONAL BUSINESS: THEORY AND PRACTICE

Announcement: Missing classes will impair your education. Nonetheless, illnesses and other exigencies do occur. Allowance has been built into this course for them, so you need not e-mail or call either to give notice that you will miss a class or to submit an excuse for having missed a class. Reserve your messages for times when you are asking for a special accommodation, as in the case of many absences or absence at the midterm or final exam.

Instructor. Precha Thavikulwat, Ph.D., is professor of management at Towson University. He specializes in business simulations, is a past president of the Association for Business Simulation and Experiential Learning, a fellow of the association, and an associate editor of *Simulation & Gaming: An Interdisciplinary Journal of Theory, Practice, and Research*. He has taught International Business since 1997.

Required Subscription. Pearson's MyManagementLab, as set up on Blackboard for this course. A complete digital version of the required textbook is supplied with the subscription at no additional charge. The subscription includes the required textbook: Griffin, R.W., & Pustay, M. W., *International Business* (8th ed.), 2015, Prentice Hall [ISBN-13: 978-0-13-350629-7, ISBN-10: 0-13-350629-0].

Required Online Reading: [GEO in Brief](#) and [GEO in Steps](#).

Required Equipment: Internet connected computer that runs Windows 7 or higher (Macs with Windows 7 or higher installed are suitable). To have Window 10 installed on a Mac at no cost, visit this site (<http://www.towson.edu/cbe/resources/labs/software.html>).

Required Supplies. A #2 pencil and two blank Scantron Form No. 882-E, for the midterm and final exams. Scantrons may be purchased from the University Store. Scantron compatibles are available from Amazon.com.

Required Supplement. *New York Times* (<http://www.nytimes.com/>). Pick up paper copy Mondays through Fridays from the second-floor main entrance to Stephens Hall, or other locations on campus.

Catalog Description. The global dimensions and interdependencies of business; political environments, cultural context, international firms' strategies and market entry. Elements of international finance include international monetary systems, foreign exchange and global trade theory.

Prerequisites. Junior major standing.

General Learning Objectives.:

- To appreciate the international interdependence of the current business environment.
- To provide students with an opportunity to apply learning about the international business environment in a real-world business context.

Specific learning objectives for the CBE comprehensive test:

- Identify key elements of a country's environment (culture, political/legal, economic).
- Explain why countries trade with each other.
- Identify the key elements of a country's trade policies and describe their implications for business.
- Describe different patterns/types/effects of foreign direct investment.
- Describe the major forms of regional economic integration in the world and outline their implications for business.
- Describe the basics of the foreign exchange market. Explain how firms "hedge" currency risk. Explain what role the International Monetary Fund and World Bank play in the international currency markets.

Academic Integrity. A significant component embedded in Management Department's core values is academic integrity. Towards this objective, the faculty members in the department will assess that student work submitted for academic credit in the courses taught by them is authentic, as well as consistent with established academic standards.

Examples of academic behaviors considered a violation of academic integrity are plagiarism; fabrication and falsification; cheating; complicity in academic dishonesty; abuse of academic materials; and multiple submissions, among others. Detailed explanations of academic conduct that constitute such violations of “academic integrity” and its consequences are to be found in the Towson University document titled: “Student Academic Integrity Policy.” Students are urged to review this document.

Learning Assessment. The academic programs at Towson University College of Business and Economics are internationally accredited by the Association for the Advancement of Collegiate Schools of Business (AACSB). Each semester, as an ongoing part of this exclusive certification, the Management Department conducts routine assessment of students’ proficiency in selected dimensions of knowledge, skills, and attitudes (KSAs), as well as content mastery of selected business topics and students’ satisfaction with the learning experiences provided by the department. The methods of such assessment will be communicated by the instructor. Student participation in these assessments, as part of the overall departmental learning program, is mandatory.

Use of Student Work. Student work may be used for teaching, assessment, and related pedagogical purposes.

Structure

This course emphasizes international-business content—what, why, and how. The elements of the course include the textbook, selected articles from the *New York Times*, lectures, and a computer-assisted simulation. The textbook and *New York Times* covers the *what*. Lectures focus on the more difficult concepts, covering the *why*. The simulation gives practice in making business decisions in an international setting, covering *how*. Knowledge comes from learning what; understanding from learning why; and skill from learning how. Grades are based on exams, class participation, mock quizzes, and simulation performance.

The teaching method is hybrid/flipped, which means that lectures are recorded for replay at any time and that on-site classes are used largely for presentations, discussion, and examination. Online work requires an Internet-connected computer that runs Windows (Macs with Windows are suitable). You are responsible for making your system work.

Exams

Exams, consisting entirely of multiple-choice items, are to be taken with neither calculators nor reference to books or notes. The final exam is cumulative, but at least 90% of the final-exam items will come directly from the materials after the midterm exam.

Students often ask if the exams are curved. The answer depends on what is meant by *curve*. If it means that everyone’s exam score will be increased by a number of stated points because an exam is difficult, then no, the exams are not curved. If it means that those who achieve only 85% of the exam points can still get an A for the course, then yes.

Judgment is always necessary in assigning grades. This judgment is based on many considerations, including exam difficulty and the difficulty of the materials that have been covered. The judgment is based not on only one exam, but on all the known facts at the time the grades are assigned. Exams are assigned points, not grades. The fact that the average number of points earned on one exam appears low does not mean that the average number of points earned on all classwork also will be low. Generally, 90% of the class will earn a higher percentage of the total points, considering all classwork, than of the points on the exams.

Mock Quizzes

Mock quizzes, administered weekly through Blackboard and MyManagementLab, are timed, online assignments. They cover class materials, including the assigned readings, recordings, and selected articles from the *New York Times* (NYT). Mock quizzes can be attempted repeatedly, but only the score of the last attempt counts towards grades. For fairness, **make ups are not granted and mock quizzes are not reopened for any reason whatsoever.**

NYT allows unregistered users free access to 10 articles a month, and has special passes (<http://www.nytimes.com/passes>) and subscription rates for college students. A short video with free-pass registration instructions is available here http://youtu.be/M32a_XyRMSY. Access to single articles from links remains apparently unrestricted.

Class Participation

Class participation involves one class meeting and two group meetings a week. Credit for class participation falls into three categories: regular, leadership, and bonus. Regular credit is assigned for involvement in class and group meetings. Leadership credit is assigned for leading discussions, writing minutes of meetings, constructing presentation slides, and presenting group findings to the class.

Class meetings generally begin with presentations by every group's leader of the week. The leader presents a five-minute summary of the group's answers to the assigned questions of the week, accompanied by slides. Class members who make cogent observations and the leader of the presentation voted best are awarded bonus credit.

To assure easy access to slides for the presentation, acquire a Google account and use Google Slides to construct your slides. Set the share-with-others property of the slides to "anyone with the link can view." Copy the shareable link and insert the link into a posting of the Presentation-Slides forum, like this: click [here](#).

Simulation

A semester-length simulation (GEO) is used in this course to give students practice in international business activities, paralleling the way that commercial airline pilots practice flying the simulator before they fly the airplane it simulates. Like business, GEO is a competitive game, and as with any game, players have a goal. Simulating life, the goal in GEO is to extend life spans, for which credit towards grades is awarded to all participants and certificates are presented to those whose performance is exceptional.

Not much class time will be expended on training for GEO, as the purpose of the simulation is to expose students to unfamiliar situations where problems are challenging, confusion is pervasive, and mistakes are common. Moreover, performing poorly in a simulation is a learning experience, not a tragedy. Learn from your mistakes, which you should not repeat afterwards in life when the consequences could really be tragic.

The computer application supporting the simulation is Internet based. The application must be installed on a Windows computer or an Apple Mac that runs Microsoft Windows 7 or higher. To run the application, first install it from its link on Blackboard. The installation will be located in the user's space on the computer's hard disk. After installation, the application can be launched from Windows' Start button. Use Windows' Program-and-Features utility to remove the program. On library and lab computers, the user space is automatically erased from time to time, which removes the application.

Special Consideration and Excuses

If you believe your situation warrants special consideration, you should submit to the instructor by the last day of class an envelope with a written explanation accompanied by supporting documents. Need or desire for a good grade does not warrant special consideration. If you miss only one week of assignments, you do not warrant special consideration. Otherwise, you qualify for special consideration only if your explanation for all of your missed assignments are satisfactory, and not just for the number exceeding one week's assignments.

In other words, you are not entitled to miss a week's worth of assignments, as any missed assignment will impair your learning. If you submit excuses for missing no more than a week's worth of assignments, the instructor will accept your excuses without question. If you do not submit excuses for missing no more than a week's worth of assignments, the instructor will conclude that you must have missed the assignments for a good reason, so your missed assignments will likewise be excused.

Grading

Grades are based on the following approximate point distribution.

1.	Exams (80-point midterm, 100-point final)	180
2.	Mock quizzes (highest 10 × 10 points each = 100)	100
3.	Class participation <ul style="list-style-type: none">• Regular credit (37 occasions × 3 points each = 111)• Leadership credit (2 occasions × 6 points each = 12+)	114
	Lower basis for grading scale	394
4.	Simulation performance (2 points for each grand-total scoring unit)	0-146
	Upper basis for grading scale	540

Grading scale: A, 90%; A-, 87%; B+, 84%; B, 80%; B-, 77%; C+, 74%; C, 70%; D+, 64%; D, 60%

Grades are assigned only once, when all work is in at the end of the semester. At that time, the procedure is as follows:

1. Earned points are summed, demerits subtracted, and their percentages computed.
2. Students whose percentage scores on the final exam are higher than their percentage scores on the midterm exam are designated as deserving of extra credit.
3. Notes from students are reviewed for circumstances that call for special consideration.
4. For those whose tentative grade is below C, their overall pattern of scores, the final exam, and simulation performance are reviewed to look for reasons that may justify a higher grade.
5. The grades are finalized and submitted to the registrar.

Policies

1. Except for documented emergencies, excuses from exams must be approved in advance. Excuses from regular classes are not required.
2. Notification of an occasional absence or explanation of one is not needed.
3. Requests to submit late assignments and to retake computer-administered assignments are not granted.
4. Plagiarism, fabrication and falsification, cheating, complicity in academic dishonesty, abuse of academic materials, and multiple submissions are serious violations for which the maximum penalty is failure of the course, plus other actions that the University deems appropriate.
5. This course may not be taken for credit more than twice without the prior written approval of the Academic Standards Committee.
6. Private information, such as grades, will neither be discussed over the telephone nor sent through e-mail, which is an unsecure medium of communication.
7. Be conscious of your surroundings, polite, and considerate of others. The classroom is a learning environment, so avoid conduct that creates a distraction, such as arriving late, leaving early, eating and drinking, using mobile devices, typing on keyboards, and clicking on mice. Demerits may be assessed for misconduct, especially if they are repeated.

Class Schedule (subject to change)

Week	Topics and Questions for Discussion	Assignment [†]
As needed	GEO Issues <ul style="list-style-type: none"> What are the best bid prices for consumer products? Which nation is best for its residents? Which industry is best for its investors? What is the best basis for incentive pay, average group performance or personal performance? Which compensation scheme is best, high salary with few stock options or low salary with many stock options? 	Read: Syllabus, GEO in Brief , and GEO in Steps . View: GEO Videos .
Jan. 28	Introduction to the course	Monday: Register on GroupMaker. Friday: Minutes of GEO meeting. Read: Ch. 1, 2-18. View: Recording 2 (Overview of international business).
Feb. 4	Overview of international business <ul style="list-style-type: none"> Which method of entering a foreign market is better than foreign direct investment? Why does the United States export proportionately much less than other industrialized nations? Why is <i>treating employees well</i> not a strategic business imperative? GEO: What combination of price setting and sales policy (accept best bid or accept first bid) is best? GEO: Where are the best and worst opportunities for investments now? 	Sunday: Quiz 1. Monday: Minutes of concept meeting. Friday: Minutes of GEO meeting. Read: Ch. 2, 24-50. View: Recording 3 (Global marketplace)
11	Global marketplace <ul style="list-style-type: none"> What are the limitations of gross domestic product and gross national income as measures of a nation's economic welfare? How is the OECD different from the UN? How is the United States different from the European Union? How are Asian economies distinctive? Excluding the United States, European Union, and Asia, how are the remaining major nations and areas of the world distinctive? 	Sunday: Quiz 2. Monday: Minutes of concept meeting. Friday: Minutes of GEO meeting. Read: Ch. 3, 54-65. View: Recording 4 (Legal environment).
18	Legal environment <ul style="list-style-type: none"> In what ways are civil-law systems superior to common-law systems? What business activities should the U.S. and the state of Maryland privatize? What are the limits of extraterritoriality? What are the limits of comity? What good is sovereign immunity to us? 	Sunday: Quiz 3. Monday: Minutes of concept meeting. Friday: Minutes of GEO meeting. Read: Ch. 3, 65-78. View: Recording 5 (Technology and accounting)

25	Technology, accounting, and political environment <ul style="list-style-type: none"> • How are patents different from copyrights? • In what ways are the Sarbanes-Oxley Act bad for business? • Which U.S. accounting practice would be the hardest to defend internationally? • Why is goodwill not recognized as a loss? • What can companies do to mitigate political risks? 	<p>Sunday: Quiz 4.</p> <p>Monday: Minutes of concept meeting.</p> <p>Friday: Minutes of GEO meeting.</p> <p>Read: Ch. 4, 84-113.</p> <p>View: Recording 6 (Culture: Characteristics, elements, and religion) and 7 (Cultural clusters, context, and dimensions).</p>
Mar. 4	Culture <ul style="list-style-type: none"> • How is mainstream Islam different from mainstream Christianity? • How is mainstream Hinduism different from mainstream Buddhism? • Why is low-context communication dominant in some nations whereas high-context communication is dominant in other nations? • Why are power-respecting societies generally collectivistic whereas power-tolerant societies generally individualistic? • How is gender related to goal behavior? 	<p>Sunday: Quiz 5.</p> <p>Monday: Minutes of concept meeting.</p> <p>Friday: Minutes of GEO meeting.</p>
11	*March 14, Midterm exam: Study questions are the review questions at the back of each chapter. If you cannot answer those questions without looking for the answers in the texts, you have not read the text well enough. So, do not look up the answers. Instead, read the text again, and write a summary of what you have read from memory. Then you will be able to answer exam questions without looking up the answers. Bring a #2 pencil and a blank Scantron Form No. 882-E to class.	
18	Spring break	<p>Read: Ch. 5, 137-139.</p> <p>View: Recording 8 (Social responsibility and ethical behavior)</p>
25	Social responsibility and ethical behavior <ul style="list-style-type: none"> • Of the Anglo-Saxon, Asian, and Continental European approaches to corporate social responsibility, which is the best and which is the worst? • What should the U.S. do about the Foreign Corrupt Practices Act? • What should the U.S. do about the Alien Tort Claims Act? • How is the Anti-Bribery Convention of the Organization for Economic Cooperation and Development different from the United Nations Convention Against Corruption? • What are the limitations of Transparency International's Corruption Perception Index and Bribe Payers Index? 	<p>Sunday: Quiz 6.</p> <p>Monday: Minutes of concept meeting.</p> <p>Friday: Minutes of GEO meeting.</p> <p>Read: Ch. 6, 152-165.</p> <p>View: Recording 9 (Mercantilism and advantage) and 10 (Relative factor endowments and firm-based theories).</p>

Apr. 1	Older trade theories <ul style="list-style-type: none"> • What is the relationship between self-sufficiency and wealth? • What is the relationship between a nation's change in productivity and its gains from trade? • If a trade agreement causes U.S. imports to increase by exactly as much as its exports, what would be the net effect on employment in the U.S.? • Why does the U.S. export less to Mexico than to Canada, when the U.S. and Mexico differ more in comparative advantages than the U.S. and Canada? • In what way is product life cycle theory flawed? 	<p>Sunday: Quiz 7.</p> <p>Monday: Minutes of concept meeting.</p> <p>Friday: Minutes of GEO meeting.</p> <p>Read: Ch. 6, 165-179 and 7, 184-192.</p> <p>View: Recording 11 (New trade, national competitive advantage, and direct investments) and 12 (History of the monetary system).</p>
8	Newer trade theories and the early history of money <ul style="list-style-type: none"> • In what way is New Trade Theory flawed? • In what way is the theory of national competitive advantage flawed? • Why does the U.S. attract less foreign direct investment than Western Europe? • Which exchange-rate system, fixed or flexible, is best for which kind of nation? • What are the differences between the World Bank and the International Monetary Fund? 	<p>Sunday: Quiz 8.</p> <p>Monday: Minutes of concept meeting.</p> <p>Friday: Minutes of GEO meeting.</p> <p>Read: Ch. 7, 192-210.</p> <p>View: Recording 13 (After Bretton Woods) and 14 (Balance of payments).</p>
15	Later history of money and the balance of payments <ul style="list-style-type: none"> • What purpose is served by Special Drawing Rights? • What are the options for a nation that is unable to repay its debts? • How is the U.S. better off with a negative current account balance? • How can a poor famine-stricken nation be better off by taking action unfavorable to its trade balance? • What are the consequences for business of changes in a nation's net official reserves account? 	<p>Sunday: Quiz 9.</p> <p>Monday: Minutes of concept meeting.</p> <p>Friday: Minutes of GEO meeting.</p> <p>Read: Ch. 8, 212-228.</p> <p>View: Recording 15 (Foreign exchange) and 16 (Speculation and arbitrage).</p>
22	Foreign exchange, speculation, and arbitrage <ul style="list-style-type: none"> • How are currency futures different from forward contract? • How are currency options different from currency futures? • Why are one-point arbitrage and four-point arbitrage undefined? • If the current spot and forward prices of a foreign currency are the same but interest rates are different, what would happen immediately and in the longer term? • What risks cannot be covered by arbitrage? 	<p>Sunday: Quiz 10.</p> <p>Monday: Minutes of concept meeting.</p> <p>Friday: Minutes of GEO meeting.</p> <p>Read: Ch. 8, 228-233 and 9, 236-242.</p> <p>View: Recording 17 (Financial markets) and 18 (Free trade and fair trade).</p>

29	Financial markets, free trade, and fair trade <ul style="list-style-type: none"> • What can governments do to enable local banks to be internationally competitive in the eurocurrency market? • Which type of bond is best for which type of investor? • What are the flaws of the national defense argument? • What are the flaws of the infant industry argument? • What are the flaws of the strategic trade argument? 	Sunday: Quiz 11. Monday: Minutes of concept meeting. Friday: Minutes of GEO meeting. Read: Ch. 9, 242-260 and 10, 266-275. View: Recording 19 (Trade policies and barriers) and 20 (GATT and WTO).
May 6	Trade policies, GATT, and WTO <ul style="list-style-type: none"> • What is the flaw in public choice analysis? • What is the effect on the wealth of a country that is subjected to dumping? • How should the most-favored-nation principle be improved? • How should the national treatment principle be improved? • To what extent should the U.S., Canada, and Mexico be regionally integrated? 	Sunday: Quiz 12. Monday: Minutes of concept meeting.
	Review (Friday, May 11)	
16/18	*Final exam (See note on study questions that accompany the midterm exam.) Bring a #2 pencil and a blank Scantron Form No. 882-E to class. MNGT 375.400: Wednesday, May 16, 10:15 a.m. to 12:15 p.m. MNGT 375.401: Friday, May 18, 10:15 a.m. to 12:15 p.m.	

†Ch.: Textbook chapter and pages. Recording: Lecture recordings available through Blackboard. Quizzes and minutes are due at the end of the day shown.

*Documented excuses required to make up missed midterm and final exams.

5/7/2018

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