International Trade and Globalization

Course Number: U44 Bus 380
Semester: Fall 2014
Time and Place: Tuesday, 5:30 – 7:30 pm, Eads 203

Instructor: Tim Nowak
Phone Number: 314-313-9877
Email: tnowak@worldtradecenter-stl.com

Required Text: Wild, John J, Wild, Kenneth L.,
International Business: The Challenges of Globalization
(Seventh Edition), Pearson Education Inc.

Description: This course will explore globalization in the context of international trade and cross-border investments. Course topics include: forces driving globalization; economic consequences; trends in international trade and investment; effects of protectionism; government’s role in world trade; international institutions such as World Trade Organization, European Union, and International Monetary Fund. In each of these areas we will consider how current global events and questions impact the international business environment.

Requirements: Students in this course will be required to do the following:

1. Attend classes and actively participate in discussions and activities. Attendance is critical. If you must miss a class, please notify me ahead of time by email and/or phone. Missing more than one class can result in a failing grade.

2. Refrain from academic dishonesty. Plagiarism, cheating, or any other dishonest act will not be tolerated. Please take time to review the Washington University – University College information on Academic Integrity - http://ucollege.wustl.edu/faculty/academic_integrity

Assignment Descriptions: You will be expected to complete a midterm examination and final examination. More specific details for each examination will be given as the semester progresses.

Grading: The following indicates the percentage value of each of the assignments you will be asked to complete this semester:

20% - Class attendance and participation
20% - Written assignment and class presentation
30% - Midterm
30% - Final Examination
Schedule: Students are expected to complete assigned readings before coming to class.

Week 1  
August 26  
Welcome and Introductions.  Review syllabus.  Introduction to Globalization  
Video: Edward L. Monser, President & Chief Operation Officer, Emerson

Week 2  
September 2  
Chapter 1 Globalization  
Learning Objectives:  
1. Identify the types of companies that participate in international business.  
2. Describe the process of globalization and how it affects markets and production.  
3. Describe the two forces causing globalization to increase.  
4. Summarize the evidence for each main argument in the globalization debate.  
5. Describe the global business environment and identify its four main elements

Week 3  
September 9  
Chapter 2 Cross-Cultural Business  
Learning Objectives:  
1. Describe culture and explain the significance of both national culture and subcultures.  
2. Identify the components of culture and describe their impact on international business.  
3. Describe cultural change and explain how companies and culture affect each other.  
4. Explain how the physical environment and technology influence culture.  
5. Describe the two main frameworks used to classify cultures and explain their practical use.

Friday  
September 12  
SPECIAL INVITATION: World Trade Center St. Louis, Growing Global International Business  
Luncheon: 11:00am – 1:30pm Ritz-Carlton.  
You are invited to be my guest at the event.  Attendance is NOT required.

Week 4  
September 16  
Chapter 3 Politics, Law, and Business Ethics  
Guest Lecture: Jennifer Schwesig, Partner and Leader International Practice Group, Armstrong Teasdale  
Learning Objectives:  
1. Describe each main type of political system.  
2. Identify the origins of political risk and how managers can reduce its effects.  
3. Describe each main type of legal system and some important global legal issues.  
4. Explain ethics and social responsibility and key issues facing international companies.  
5. Explain how international relations affect international business activities.

Week 5  
September 23  
Chapter 4 Economics and Emerging Markets  
Learning Objectives:  
1. Describe what is meant by a centrally planned economy and explain why its use is declining.  
2. Identify the main characteristics of a mixed economy and explain the emphasis on privatization.  
3. Explain how a market economy functions and identify its distinguishing features.  
4. Describe the different ways to measure a nation’s level of development.  
5. Discuss the process of economic transition and identify the obstacles for business.

Week 6  
September 30  
Chapter 5 International Trade  
Learning Objectives:  
1. Describe the relationship between international trade volume and world output, and identify overall trade patterns.  
2. Describe mercantilism and explain its impact on world powers and their colonies.  
3. Explain the theories of absolute advantage and comparative advantage.  
4. Explain the factor proportions and international product life cycle theories.  
5. Explain the new trade and national competitive advantage theories.
Week 7
October 7
Chapter 6 Business-Government Trade Relations
Guest Lecture: Christopher “Kit” Bond, retired United States Senator (to be confirmed)

Learning Objectives:
1. Describe the political, economic, and cultural motives behind governmental intervention in trade.
2. List and explain the methods governments use to promote international trade.
3. List and explain the methods governments use to restrict international trade.
4. Discuss the importance of the World Trade Organization in promoting free trade.

Week 8
October 14
Chapter 7 Foreign Direct Investment
Guest Lecture: Dennis Pruitt, Vice President of International Business Recruitment, Missouri Partnership

Learning Objectives:
1. Describe worldwide patterns of foreign direct investment (FDI) and reasons for those patterns.
2. Describe each of the theories that attempt to explain why FDI occurs.
3. Discuss the important management issues in the FDI decision.
4. Explain why governments intervene in the free flow of FDI.
5. Discuss the policy instruments that governments use to promote and restrict FDI.

Week 9
October 21
MIDTERM EXAMINATION

Week 10
October 28
Chapter 8 Regional Economic Integration

Learning Objectives:
1. Define regional economic integration and identify its five levels.
2. Discuss the benefits and drawbacks of regional economic integration.
4. Discuss regional integration in the Americas and analyze its future prospects.
5. Characterize regional integration in Asia and how it differs from integration elsewhere.
6. Describe integration in the Middle East and Africa and explain the slow progress.

Week 11
November 4
Chapter 9 International Financial Markets

Learning Objectives:
1. Discuss the purposes, development, and financial centers of the international capital market.
2. Describe the international bond, international equity, and Eurocurrency markets.
3. Discuss the four primary functions of the foreign exchange market.
4. Explain how currencies are quoted and the different rates that are given.
5. Identify the main instruments and institutions of the foreign exchange market.
6. Explain why and how governments restrict currency convertibility.

Week 12
November 11
Chapter 10 International Monetary Systems

Learning Objectives
1. Explain how exchange rates influence the activities of domestic and international companies.
2. Identify the factors that help determine exchange rates and their impact on business.
3. Describe the primary methods of forecasting exchange rates.
4. Discuss the evolution of the current international monetary system and explain how it operates.

Week 13
November 18
Chapter 12 Analyzing International Opportunities
Guest Lecture, Sean Mullins, Director Market Research, World Trade Center St. Louis

Learning Objectives:
1. Explain each of the four steps in the market- and site-screening process.
2. Describe the three primary difficulties of conducting international market research.
3. Identify the main sources of secondary international data and explain their usefulness.
4. Describe the main methods used to conduct primary international research.

Week 14  
November 25  
Chapter 13 Selecting and Managing Entry Modes

Learning Objective:
1. Explain how companies use exporting, importing, and countertrade.
2. Explain the various means of financing export and import activities.
3. Describe the different contractual entry modes that are available to companies.
4. Explain the various types of investment entry modes.
5. Discuss the important strategic factors in selecting an entry mode.

Week 15  
December 2  
Class presentations

Week 16  
December 9  
OPEN / Final Exam Review

Week 17  
December 16  
FINAL EXAMINATION