

MGT 316: Introduction to International Business

Credits: 3
Lecture Hours: 48

Course Objectives

This course provides an overview of the importance of international business and trade in the global economy, explores the factors and environment that influence success in international markets, and familiarizes students with the basic terminologies, key concepts and issues unique to the subject. Students will learn about the techniques and strategies associated with different dimensions of marketing, financial management, and human resource management which arise in an international business context.

Course Description

This is a broad – based introductory course organized around three main modules: 1) the external environment of international business, 2) international business strategy, and 3) international business operations. This course provides students the opportunity to explore the international business environment and understand internationalization strategies, modes of entry and the operational decisions facing managers of companies that operate beyond their domestic market.

Course Details

Unit 1: Globalization and International Business

LH 6

Concepts of globalization and international business; Factors affecting globalization; Reasons for international business expansion; Drivers of market globalization; Domestic vs international business.

Unit 2: Theories of International Trade and Investment

LH 8

Theory of Mercantilism, Theory of Absolute Advantage, Theory of Comparative Advantage, Factor Endowment Theory, Product Life-Cycle Theory, Theory of Competitive Advantage; Foreign direct investment based theories ; Implications of international trade and investment theories; Contemporary issues of international trade.

Unit 3: Global Business Environment

LH 12

Political and legal systems; Actors in political and legal systems; Political risks; e-commerce and intellectual property rights; Government interventions and investment barriers; Cultural environment – concept, why culture matters in international business?; Regional economic integration – types, leading economic blocs; Emerging foreign markets; The changing demographics of the global economy; International monetary and financial environment – currencies and exchange rate systems; The floating exchange rate system.; Modes of payment in international trade; Global financial system; International economic institutions; WTO and free trade policies.

Unit 4: International Strategic Management

LH 10

Strategy and opportunity assessment; Role of strategy in international business; Estimating market potential; Choosing a strategy; Entering and operating in international markets – exporting and importing, collaborative ventures and strategic alliances, licensing, franchising; Global outsourcing; MNCs and Foreign Direct Investment (FDI) in the world economy – concept, types and trends.

Unit 5: Functional Areas of International Business

LH 12

Global production, outsourcing and logistics – managing global supply chain; Global marketing strategy – global branding, product development, pricing, communications, and distribution strategies; Global e-marketing strategy; Financial management – sources of funds for international operations: Investment decisions; Tax practices; Currency risk management; International human resource management – staffing policy, diversity management, labour relations, preparing employees for repatriation.

Basic Books

Charles W L Hill and Arun K. Jain. *International Business: Competing in the Global Marketplace*. Tata McGraw Hill, New Delhi.

Johan S. Hill. *International Business: Managing Globalization*. Sage Publications. New Delhi.

References

Alan Sitkin and Nick Brown. *International Business: Challenges and Choice*. Oxford University Press. New Delhi.

Oded Shenkar and Y. Luo. *Internatinal Business*. Wiley Publications. New Delhi.

Rakesh Mohan Joshi. *International Business*. Oxford University Press. New Delhi.