BUS 804
INTERNATIONAL BUSINESS STRATEGY

UNIT OUTLINE
Autumn 2007

Time: 10-1 pm Thursdays
Lecture room E4B 316

Lecturer
Dr MEENA CHAVAN
mchavan@efs.mq.edu.au
TELL ME AND I’LL FORGET, SHOW ME AND I’LL REMEMBER, INVOLVE ME AND I’LL UNDERSTAND.

BUS 804 International Business Strategy

UNIT NUMBER: BUS 804

UNIT TITLE: INTERNATIONAL BUSINESS STRATEGY

UNIT WEIGHT: 4 CREDIT POINTS

UNIT LEVEL: 800

PRE-REQUISITES: Enrollment in MCom / MIB

CO-REQUISITES: NIL

ATTENDANCE ONE SEMESTER 3 hour lecture. 40 classroom hours and 120 self study
The purpose of this unit is to provide - a conceptual framing of the interplay between the MNC, the countries in which it does business, and the competitive environment in which it operates. Even though many of the specific challenges in International Business will continue to evolve we believe that the conceptual framework- the powerful lens through which the changes can be viewed should be robust enough to endure the changing environment. The aim of this unit to provide such a lens.

This course focuses on how multinational firms operate in a global economy. It will help the student understand the management challenges associated with developing strategies and handling the operations of companies whose activities stretch across national boundaries.

RATIONALE & OBJECTIVES

The rationale behind studying this unit is that it no firm today can survive without going Global. We live in a Global economy and this unit focuses on global corporate strategies and foreign market entry strategies. Key issues associated with entry strategy decisions, including entry selection modes, control and location selection will be examined. This course is designed to give students hands-on experience and will examine critical issues from the perspective of senior
executives and managers in charge of these operations. Concepts developed in the course will be applied to the solution of “real world” problems through the use of case studies, and other learning strategies throughout the semester.

This course is designed to introduce students to critical issues in strategic decisions facing businesses in the global markets and to provide insights on the practices and policies used by businesses competing globally. It also explores the challenges, dynamics and processes involved in managing the multi-national company. It aims to provide participants with working knowledge of basic theoretical concepts, skills and sensitivities that will help them deal effectively with key management issues and challenges in today’s global business environment.

LEARNING OUTCOMES

The learning outcomes of this unit are to explore and understand:

- The nature and scope of international management issues
- Drivers, patterns and trends of globalization
- Identifying key factors which serve to differentiate business systems in various cultural and economic settings
- International trade theories and patterns of international trade and Investment
- Foreign market entry strategies and international strategic alliances
- Implications of regional economic integration
- Global monetary system (Foreign exchange market and global capital Market)
- Ethical and environmental issues of international business and trade
- Evaluate and enhance the ability to think strategically and synthesize knowledge from other business disciplines.
This unit also seeks to develop the following generic skills

- critical analysis skills to evaluate, synthesise and judge;
- problem-solving skills to apply and adapt knowledge to the real world
- communication skills for effective presentation and cultural understanding;

**TEACHING AND LEARNING STRATEGY**

The unit will be taught through lectures, discussions, cases and video cases and experiential exercises. Students are advised to attend all lectures and participate in discussions, missing classes and not participating in discussions will affect grades.

The case study method is widely used in business schools around the globe. Case analyses are intended to be analytical critiques on some central issues of the case being discussed.

This is a discussion-oriented class; students will read all of the case studies indicated on the course schedule and come prepared to discuss them in class. Students will also prepare a page of write up every week before they come to class for discussion for their own benefit. Every student is expected to participate.

In your case analyses, please refrain from writing a summary of the case or repackaging the information already provided in the case. Based on the information provided in the case, be analytically judgmental, propose alternative managerial views and action plans, and discuss the relevance and appropriateness of the frameworks proposed in the readings and lectures to the case. In short, write what you think of the situation in the case and not merely repeat what the author says. If you are not prepared for a particular class, please let me know in advance so that I don’t embarrass you inadvertently.
VERY IMPORTANT:

Please turn off your mobile phones while you are in class. Unless it is absolutely essential, please refrain from leaving the class in the middle of a discussion. You must acknowledge the work of other authors accurately, consistently and completely, both in the body of the essay and in the bibliography. References should be formatted properly, using standard Harvard referencing system. Please refer to the recommended references in this document.

Please use the Global edge website for help in preparing the discussion questions each week- http://globaledge.msu.edu/

WEEKLY SCHEDULE:

<table>
<thead>
<tr>
<th>WEEK/ DATE</th>
<th>TOPIC</th>
<th>CASES/ Debates / Discussions</th>
<th>Chapters</th>
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<tbody>
<tr>
<td>1 1.3.07</td>
<td>Course Introduction, Formation of Groups, Globalization</td>
<td>Ecuadorean Valentine Roses</td>
<td>Chapter 1</td>
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<tr>
<td>2 8.3.07</td>
<td>National Differences in Political Economy</td>
<td>Nike: The Sweatshop Debate</td>
<td>Chapter 2</td>
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<td>3 15.3.07</td>
<td>International Trade Theory</td>
<td>The Rise of the Indian Software Industry</td>
<td>Chapter 5, Chapter 6</td>
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<td>4 22.3.07</td>
<td>Differences in Culture Ethics in International Business</td>
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<td>Chapter 3, Chapter 4</td>
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<td>5 29.3.07</td>
<td>Foreign Direct Investment, Foreign Exchange Market</td>
<td>The Collapse of the Thai Baht in 1997</td>
<td>Chapter 7, Chapter 10</td>
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<td>Date</td>
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<td>6</td>
<td>5.4.07</td>
<td>MIDTERM EXAM &amp; FILM REVIEW</td>
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<td><strong>INTRA SESSION BREAK</strong></td>
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<td>7-8</td>
<td>12.4.07 &amp; 19.4.07</td>
<td><strong>BOOK REVIEWS</strong></td>
<td><strong>Global Strategy at General Motors</strong></td>
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<td>The International Monetary system</td>
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<td>The strategy of International Business</td>
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<td>26.4.07</td>
<td><strong>BOOK REVIEWS</strong></td>
<td><strong>Organisational Change at Royal Dutch/Shell</strong></td>
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<td>The Organization of International Business</td>
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<td>Entry Strategy and Strategic Alliances</td>
<td><strong>Merrill Lynch in Japan</strong></td>
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<td>10</td>
<td>3.5.07</td>
<td><strong>GUEST LECTURE</strong></td>
<td><strong>Li and Fung</strong></td>
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<td>Exporting, Importing, and Counter trade</td>
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<td>Global Production, Outsourcing and Logistics</td>
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<td>11</td>
<td>10.5.07</td>
<td><strong>DEBATE ON GLOBALISATION</strong></td>
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<td>Exporting, Importing, and Counter trade</td>
<td><strong>Degussa: Strategy and Human Resources in China</strong></td>
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<td>12</td>
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<td><strong>DEBATE ON GLOBALISATION</strong></td>
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<td>13</td>
<td>24.5.07</td>
<td>Financial Management in the International Business</td>
<td><strong>Motorola’s Global Cash Management system</strong></td>
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<td>14</td>
<td>31.5.07</td>
<td>Project Presentations Course review</td>
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<td>15</td>
<td>7.6.07</td>
<td><strong>FINAL EXAMINATION</strong></td>
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(In addition to the above cases some current Harvard cases will also be discussed from time to time)

BUS804 INTERNATIONAL BUSINESS STRATEGY
ACTIVITIES PLANNED FOR AUTUMN 2007

1) GUEST LECTURE week 10 and week 12

2) BOOK REVIEW : a) THE WORLD IS FLAT &
       b) THE LEXUS AND THE OLIVE TREE
       BOTH BOOKS ARE BY THOMAS FRIEDMAN-week 10

3) DEBATING SESSION ON ‘THE PROS AND THE CONS OF
       GLOBALISATION” week 7

4) FILM REVIEW AND DISCUSSION week 9
       “Globalisation”
       http://video.google.com/videoplay?docid=3117338213439292490

CLASS ASSIGNMENTS

<table>
<thead>
<tr>
<th>Description</th>
<th>Weighting</th>
<th>Due Date</th>
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<tbody>
<tr>
<td>Case Analysis (Group Work)</td>
<td>15%</td>
<td>Sessions 3-14</td>
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<td>Midterm Exam</td>
<td>15%</td>
<td>Session 6</td>
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<tr>
<td>Final Project (Group work)</td>
<td>20%</td>
<td>Session 13 and 14</td>
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<tr>
<td>In class participation</td>
<td>10%</td>
<td>Continuous</td>
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<tr>
<td>Final Exam</td>
<td>40%</td>
<td>Session 14</td>
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Learning outcomes addressed in the assignments:
- Demonstrate successful team Work
- Appraise through experiential learning of corporate settings, various business situations
- Demonstrate professional presentation skills, debating skills and analytical skills.
- Acquire strong conceptual knowledge along with examinable skills in the real time real world corporate cases
• Acquire knowledge on all aspects of launching a global business by conducting in depth research in the country of choice selected for doing business with.
• Analyse the assigned cases and summarise with a one page summary.
• Participate in class discussions
• Demonstrate an understanding of the theoretical, conceptual, and practical issues in International business by recalling facts, theory and examples.

Assignment 1

Weekly (Case Analysis-Presentation) Group Work

Due Date: From Week 3

Value : 15%

The class will be divided into 8-10 groups of 4-5 members and each group will discuss and present the analysis for the week’s case study/ reading material in a time period of 20 minutes in class. Each group will be given a mark out of 15 for the presentations.

Students are supposed to read the week’s case study and be ready to discuss, defend and question other students before coming to class.

Marks should be allocated for the following criteria:
• Analytical skills
• Innovative solutions
• Team work
• Presentation skills

Assignment 2

FINAL PROJECT

Due date: Week 13 &14

Value: 20% (10% Essay 10% Presentation)

Global Business Plan (Group work)

Presentation and hard copy hand over
Due Dates: 24.5.07 & 31.5.07
Marked assignments will be returned on: 7.6.07
Length: 10-15 pages

The student cd is available to all students on purchase of the text. This cd contains the “Global Business Plan Project” which helps students create a plan to launch a new global business venture.

Every student is required to select a country of their choice and embark on planning to launch a new business in the country with the assistance of this “Global Business Plan”.

More details will be provided in class. No extensions will be granted. Please speak to the lecturer before you embark on this assignment.

This is a major project and marks are given for each subsection of the essay/plan.

Select a country of your choice and explore the following areas:
Some important issues to focus on in assignment no 2 are:
Regional analysis, country analysis, political, legal, market, exchange, economic, cultural and business risk analysis. Trade barriers, current affairs, ethical concerns, HR, training, infrastructure, salary rates, standard of living, education, recreation, housing, affordability, taxation and government policies, languages and more.

Marks out of 10 will be given for the essay that is the hard copy which will be submitted and another 10 marks are reserved for the group presentation. Each and every student in the group will participate in the presentation and be marked.

Assignment 3
In class participation
Due date: Every week
Value: 10%

Students should bring along their one page of notes/summary of reading to help them participate in the discussion.
Further assignment support can be obtained from the following below:

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<thead>
<tr>
<th>Resource</th>
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<tr>
<td><a href="http://globaledge.msu.edu/ibrd/">http://globaledge.msu.edu/ibrd/</a></td>
<td>Sprague Library at Montclair State University</td>
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<tr>
<td>A very good organization of useful business related links</td>
<td>Internet-based marketing readings</td>
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<tr>
<td>American Marketing Association</td>
<td></td>
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<tr>
<td>Central Intelligence Agency (CIA) world fact book</td>
<td>Textbook links for international research</td>
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<tr>
<td>Michigan State University CIBER</td>
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<tr>
<td>Thunderbird University International Business Information Center</td>
<td>A very good compilation of sources for international research (University of South Alabama)</td>
</tr>
<tr>
<td>U.S. Census Bureau world demographic and socio-economic data</td>
<td>Source for global population data</td>
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<tr>
<td>Population Research Bureau</td>
<td>Maps of world</td>
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<tr>
<td>City.net travel guide</td>
<td>Refdesk</td>
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http://www.rileyguide.com/intlbus.html
http://www.lib.unc.edu/reference/busecon/international_business/
http://www.ibrc.business.ku.edu/
http://www.worldbiz.com/

**EXAMINATION**

**MID TERM EXAM**

**Date:** 5.4.07 (week 6)

**Value:** 15%

**Venue:** E4B 316

**Length:** 2 hours
Format: Excersices and cases

The midterm exam will consist of
Q1. 10 multiple choice questions (marks 5 - half a mark for each question),
Q2. Essay questions marks 5 (4 questions will be given, students have to answer any 2 and the marks for each of them would be 2.5)
Q3. A case study (marks 5).

FINAL EXAM

Date: 7.6.07
Venue: E4B 316
Value: 40%
Length: 3 hours (10 am to 1pm)
Format: The final exam will test your practical application skills, through, critical analysis, case studies and short questions.

Final exam will consist of:

Q1 Multiple choice questions (Total marks 10-10 questions)
Q2 Experiential short cases.2 cases of 5 marks each. (Total Marks 10.)
Q3 Essay type questions. 6 questions will be given; you have to answer any 4. Each of these questions has a weighting of 2.5 marks. (Total marks 20).

* Paper Dictionaries are allowed
* Students must pass the final exam to pass this unit

IMPORTANT

The only exception to not sitting an examination at the designated time is because of documented illness or unavoidable disruption. In these circumstances you may wish to consider applying for Special Consideration. Information about unavoidable disruption and the special consideration process is available at http://www.reg.mq.edu.au/Forms/APSCon.pdf
You are advised that it is Macquarie University policy not to set early or delayed examinations for individuals or groups of students. All students are expected to ensure that they are available until the end of the teaching semester, that is the final day of the official University examination period, and can attend the exam at the designated time and place.

**REQUIRED AND RECOMMENDED TEXTS AND/OR MATERIALS**


**REFERENCES:**


SUGGESTED READINGS

Websites

Business Week (sign-up online at www.resourcecenter.businessweek.com)


Wall Street Journal (sign-up online at www.wsjstudent.com/quarter)


Virtual Library on International Development http://w3.acdi-cida.gc.ca/virtual.nsf

The Economist (sign-up online at www.economistacademic.com )


JOURNALS

Emerald Library Database (http://www.emerald-library.com)
Asia Week
Asian Wall Street Journal
Business Review Weekly
Journal of International Business Studies
Management Review
Straits Times
The Australian Bulletin
The Australian Financial Review
Economist & Fortune

Plagiarism

The University defines plagiarism in its rules: "Plagiarism involves using the work of another person and presenting it as one's own." Plagiarism is a serious breach of the University's rules and carries significant penalties. You must read the University's practices and procedures on plagiarism. These can be found in the Handbook of Postgraduate Studies or on the web at: http://www.student.mq.edu.au/plagiarism/

The policies and procedures explain what plagiarism is, how to avoid it, the procedures that will be taken in cases of suspected plagiarism and the penalties if you are found guilty. Penalties may include a deduction of marks, failure in the unit, and/or referral to the University Discipline Committee.

University Policy on Grading

Academic Senate has a set of guidelines on the distribution of grades across the range from fail to high distinction. Your final result will include one of these grades plus a standardised numerical grade (SNG).

On occasion your raw mark for a unit (i.e., the total of your marks for each assessment item) may not be the same as the SNG which you receive. Under the Senate guidelines, results may be scaled to ensure that there is a degree of comparability across the university, so that units with the same past performances of their students should achieve similar results.

It is important that you realise that the policy does not require that a minimum number of students are to be failed in any unit.
The process of scaling does not change the order of marks among students. A student who receives a higher raw mark than another will also receive a higher final scaled mark. For an explanation of the policy please see: http://www.mq.edu.au/senate/MQUonly/Issues/Guidelines2003.doc or http://www.mq.edu.au/senate/MQUonly/Issues/detailedguidelines.doc.

**STUDENT SUPPORT SERVICES**

Macquarie University provides a range of Academic Student Support Services. Details of these services can accessed at http://www.student.mq.edu.au

**SPECIAL CONSIDERATION**

You are expected to attend scheduled examinations with the other students completing this unit. If extraordinary circumstances prevent you from attending the scheduled examination or affect your performance in an examination, you may wish to lodge a request for special consideration.

Any such requests must be lodged on the appropriate form. If there are medical circumstances you wish to be taken into account when considering your request, the medical information must be lodged on the attached Professional Authority Form. No other form of medical certificate will be recognised.

**CHEATING AND PLAGIARISM**

Cheating and plagiarism are regarded as attempts to gain an unfair advantage over your fellow students and will not be tolerated. Please read the Plagiarism and Cheating document below which sets out the Division’s policy in these matters.

**THE DANGERS OF CHEATING AND PLAGIARISM AND HOW TO AVOID THEM**

To cheat in the context of university assignments, tests and examinations is to attempt to gain an unfair advantage by violating the principles of intellectual and scholarly integrity. Cheating also encompasses plagiarism, which is the appropriation or imitation of a person’s ideas and manner of expressing them.

**WHAT IS CHEATING?**
You will be guilty of cheating if you do any of the following:

1. Copy from another student during a test or examination. This is cheating whether or not there is collusion between the students involved. Collusion with another student who wishes to cheat from you exposes both parties to penalties under University Regulations.

2. Use or paraphrase the work of others, including any document, audio-visual or computer-based material, when preparing an assignment or writing an examination, and pretend it is your own work by not acknowledging where it came from.

3. Copy from another student's coursework whether that copying is with or without the knowledge of that student. This includes: copying all or part of someone else's assignment allowing someone else to copy all or part of your assignment having someone else do all or part of an assignment for you doing all or part of someone else's assignment for them.

4. Make up data and fabricate results in research assignments.

5. Impersonate someone else in an examination or test, or arrange such impersonation.

6. Use forbidden material in a test or examination, whether in printed or electronic form.

7. For example, attempting to use a non-standard calculator in a restricted calculator examination.

WHY IS IT WRONG?

If you take and use the work of another person without clearly stating or acknowledging your source, you are falsely claiming that material as your own work and committing an act of plagiarism. This is wrong because:

- it violates the principle of intellectual and scholarly integrity.
- it devalues the grades and qualifications gained legitimately by other students.

PREVENTING CHEATING

All students and staff have a responsibility to prevent, discourage and report cheating.
Typically students cheat because they are having difficulty with the unit content, the language of the unit, or both. Cheating and/or plagiarism can be a temptation when students are experiencing difficulty with a heavy workload in the unit and seek to save time by using others' work.

To avoid having students resort to cheating, the University provides many services to help students with their course or to make thoughtful decisions about whether to continue. Within the Division of Economic and Financial Studies, students should first seek assistance from their tutor and/or lecturer. The University also offers help through the Dean of Students or the University Health and Counseling Services.

There is a difference between getting help and cheating. You are encouraged to get help if you need assistance to understand the material and any set work so that you are in a better position to create your own answers.

HOW TO PLAY SAFE
To maintain good academic practice, so that you may be given credit for your own efforts, and so that your own contribution can be properly appreciated and evaluated, you should acknowledge your sources and you should ALWAYS:

(i) State clearly in the appropriate form where you found the material on which you have based your work, using the system of reference specified by the Division in which your assignment was set;
(ii) Acknowledge the people whose concepts, experiments or results you have extracted, developed or summarized, even if you put these ideas into your own words;
(iii) Avoid excessive copying of passages by another author, even where the source is acknowledged. Find another form of words to show that you have thought about the material and understood it, but remember to state clearly where you found the ideas.

There is nothing wrong with working with other students in a group; indeed sometimes you will be encouraged to do so. But after a certain point, each student must work on their own to produce their own written answers. If no specific guidelines for group-work have been given, a reasonable interpretation is that it is acceptable for two or more students to discuss a problem among themselves or with a staff member. The group may then agree that the answer should include certain points. But then each member of the group must independently write their own answer to the problem.

PENALTIES
Students who are guilty of cheating and plagiarism will be penalized. Depending on the nature of the offence, the unit coordinator will determine the penalty. For example, extensive plagiarism may result in zero marks for an assignment. Repeat offences will be referred to the University Discipline Committee and may result in failure or exclusion from the university. (This material has been compiled from the existing plagiarism documents of Macquarie University and University of Auckland.)
GROUP ASSIGNMENT COVER SHEET

Please complete ALL sections in CAPITAL LETTERS and attach to the front of your assignment.

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<thead>
<tr>
<th>LECTURER</th>
<th>ASSIGNMENT NAME</th>
<th>DUE DATE</th>
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GROUP MEMBERS

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<th>SID NUMBER</th>
<th>FAMILY NAME</th>
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CERTIFICATION

Please confirm that your assignment meets with ALL of the following requirements by ticking each box and by ALL group members signing below. Assignments that do not comply with the following requirements MAY NOT BE MARKED.

☐ We certify that this assignment is the work of the group, based on their personal study and research, and that all material and sources in the preparation of this assignment have been appropriately acknowledged. We have read and understood the policy on plagiarism set out at http://www.student.mq.edu.au/plagiarism/ and understand that students found to be plagiarising will be penalised.

☐ We have submitted an electronic version of this assignment on 3.5” diskette and understand that a mark for this assignment will not be assigned unless this electronic version is submitted. We understand that the University will hold the electronic version of this assignment, which may be tested now or in the future for evidence of plagiarism.

1. _______________________________  4. _______________________________
2. _______________________________  5. _______________________________
3. _______________________________  6. _______________________________

SIGNATURE OF GROUP DATE

IMPORTANT: Your assignment is to be handed to the lecturer in class on the Due Date. The lecturer will return marked assignments on the date specified in the Unit Outline.