DIVISION OF ECONOMIC AND FINANCIAL STUDIES
Graduate Accounting and Commerce Centre

BUS 804
INTERNATIONAL
BUSINESS STRATEGY

UNIT CONVENER AND LECTURER

Dr MEENA CHAVAN
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UNIT OUTLINE
2nd SESSION 2008

Office: Building E4A, Level 1
Telephone (02) 98508526
Fax (02) 98509956
Web: www.gacc.mq.edu.au

Lecture Time:

Thursdays
9am-12 pm Morning batch
&
3pm- 6pm Afternoon batch
Lecture room E4B 316 (Morning class) & E5A 119 (Afternoon class)

Consulting: After class and via appointments.
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 hrs self study

TEACHING STAFF

Dr. Meena Chavan PhD (International Business/Entrepreneurship)

CLASSES

3 hours Face –To - Face lectures
40 classroom hours and 120 self study hours.
REQUIRED AND RECOMMENDED TEXTS AND/OR MATERIALS


UNIT WEB PAGE

Web CT: http://online.mq.edu.au

ABOUT THIS UNIT

BRIEF DESCRIPTION OF THE UNIT:

The purpose of this unit is to provide - a conceptual framing of the interplay between the “Multinational Corporations”, 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 is the powerful lens through which the changes can be viewed and 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 assist 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, 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. The unit will introduce students to vital 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 explores the challenges, dynamics and processes involved in managing the multi-national company. 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, role playing, experiential games, simulations and other learning strategies throughout the semester. 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 business 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

This unit will be taught via the participant-centered, the experiential learning method of teaching. “Experiential learning takes place when a person is involved in an activity, then looks back and evaluates it, determines what was useful or important to remember and uses this information to perform another activity” (John Dewey, 1938). Students will partake in lectures, discussions, cases, video cases and experiential exercises in class. 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.
As 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. 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.

**Lecture etiquettes (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.

**WEEKLY SCHEDULE:**

<table>
<thead>
<tr>
<th>WEEK/DATE</th>
<th>TOPIC</th>
<th>Case Analysis/Student Group Work (4 students in a group)</th>
<th>Chapters/class case</th>
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<tbody>
<tr>
<td>Week 1: 7th AUG</td>
<td>Globalization Course Introduction Formation of Groups</td>
<td>Chapter 1&lt;br&gt;Three Billion New Capitalists - video Case: Crisis at Renault</td>
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<tr>
<td>Week 2: 14 AUG</td>
<td>National Differences in Political Economy&lt;br&gt;Subsidy Dogfight Boeing Vs Airbus</td>
<td>Chapter 2&lt;br&gt;Simulation: “Frankenfoods” or Rice Bowl for the World: The U.S.–EU Dispute over Trade in Genetically Modified Organisms</td>
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</tbody>
</table>
| Week 4 | 28<sup>TH</sup> AUG | International Trade Theory | Agricultural subsidies and Development pg 324 | Chapter 5  
Experiential exercise:  
Comparative Advantage Experiments |
|--------|----------------|-------------------------|---------------------------------------------|---------------------------------|
| Week 5 | 4RTH SEPT     | Foreign Direct Investment | Logitech pg 196                             | Chapter 7  
Case Euro Air |
| Week 6 | 11<sup>TH</sup> SEPT | Foreign Exchange Market  
&  
The International Monetary system | 1. Starbucks FDI &  
2. Mergers and Acquisitions in the Russian Oil sector-The FDI factor pg 330  
3. b) FDI India Vs China pg 325 | Chapter 10 & Chapter 11  
Experiential exercise:  
Effects of changes in exchange rates on business |
| Week 7 | 18<sup>TH</sup> SEPT | **MIDTERM EXAM**         | Syllabus  
1,2,3,4,5,7,10 & 11 |
| 20<sup>TH</sup> SEPT-6<sup>TH</sup> OCT | **INTRA SESSION BREAK** | 2 weeks -  
20<sup>TH</sup> SEPT TO 6<sup>TH</sup> OCT INCLUSIVE | Come prepared for: Book Review  
The world is Flat and The Lexus and The Olive tree |
| Week 8 | 9<sup>TH</sup> OCT | The strategy of International Business | 1. The rising Euro hammers Auto parts manufacturers pg 363  
2. Car Price Differentials in the European Union. | Chapter 12  
Dell a winning strategy |
| Week 9 | 16<sup>TH</sup> OCT | The Organization of International Business  
Entry Strategy and Strategic Alliances | DHL’s Business strategy in China pg 528  
3M in the new Millennium: Innovation and Globalization pg 512  
Ireland in 2004 pg 335 | Chapter 13  
Experiential exercise:  
a) Global and Local how to have it all  
b) The apple orange company structure  
Chapter 14  
Euro Air |
<table>
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<tr>
<th>Week 10 23\textsuperscript{RD} OCT</th>
<th>Exporting, Importing, and Counter trade</th>
<th>Merrill Lynch in Japan pg 694 &amp; Megahertz Communication pg 551</th>
<th>Chapter 15 Coca-Cola’s Marketing Challenges in Brazil: The Tubainas War</th>
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<tbody>
<tr>
<td>Week 11 30\textsuperscript{TH} OCT</td>
<td>Global Production, Outsourcing and Logistics</td>
<td>1.GTI in Russia</td>
<td>Chapter 16 Harley-Davidson in 2004</td>
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<tr>
<td>Week 12 6\textsuperscript{TH} NOV</td>
<td>Project Presentations Course review</td>
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<tr>
<td>Week 13 13\textsuperscript{TH} NOV</td>
<td><strong>FINAL EXAMINATION</strong></td>
<td>BUS804 International Business Strategy (class_01) Thursday 5 June 9am-12noon E4B 316 BUS804 International Business Strategy (class_02) Thursday 5 June 3-6pm E5A119</td>
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**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>Weeks 2-11</td>
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<tr>
<td>Midterm Exam</td>
<td>15%</td>
<td>Week 7</td>
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<tr>
<td>Final Project &amp; presentations (Group work)</td>
<td>20%</td>
<td>Session 12</td>
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<tr>
<td>Final Exam</td>
<td>50%</td>
<td>Session 13</td>
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**Assignment 1**

Weekly (Case Analysis-Presentation) Group Work

**Due Date:** From Week 2
Value : 15%

The class will be divided into 10-12 groups of 4 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-RESEARCH PAPER

Due date: 6th November 2008 (Week 12)
Value: 20% (10% Essay 10% Presentation)

International Business Research paper (Group work)

Marked assignments will be returned on: 13th November 2008
Length: 10-15 pages

RESEARCH TOPICS FOR GUIDANCE:

You may wish to research in one of the related topics below or a topic of your choice. Please make sure you have discussed your topic with the lecturer before you embark.

- Entry strategy into the EU market- Australia’s Business strategy with China Vs EU
- Strategic opportunities in China or India –Their role in Global Business
- International Entrepreneurship
- Mergers and Acquisitions
• Creativity and Innovation
• International Business Operations Strategy
• Management of Change in the International Scenario.
• Role of expatriate management- Australia
• Direct Investments in South East Asia
• Ethnography and International Business
• Sourcing and locating human capital anywhere in the world (global outsourcing/off shoring of labour-intensive and/or knowledge intensive work, competition from low cost countries.)
• The globalization of national companies (entry modes, stages of internationalization process)
• The international expansion of start ups (global start-ups)-Australian firms in International trade. Why should Australian firms export? Why should firms outsource?
• IB and sustainability (corporate social responsibility, natural environment);
• New organizational forms and dimensions of “Truly Global”.
• The New Globalisation Model
• FDI Inward and Outward in Australia
• Knowledge and Technology transfers
• Global hyper competition and international cooperation (cross-national mergers, acquisitions, joint-ventures and alliances)
• The re-shaping of IB in relation to the entry of global competitors from China, India, South Korea and other newly developed economies
• Property rights issues in other countries Ex China, India, Middle East
• Intellectual property laws in Australia Vs China
• NAFTA –the response of MNE’s to NAFTA
• International Joint Ventures _Entry strategies of Australian Banks in China
• Cross cultural management in International Business
• International Mergers and Acquisitions-Telecommunication mergers and acquisitions in Australia
• The globalization of small firms
• Theoretical analysis of Globalisation & the Multinational Enterprise.

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.
• Analyze the assigned cases and summarize 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.

EXAMINATION

MID TERM EXAM

Date: 18th September (week 7)
Value: 15%
Venue: E4B 316 (morning class) & E5A119 (afternoon class)
Length: 2 hours
Format: Essay questions exercises 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: 13th November 2008
Venue: E4B 316
Value: 50%
Length: 2 hours

{BUS804 International Business Strategy (class_01) Thursday 5 June 9am-12noon E4B 316
BUS804 International Business Strategy (class_02) Thursday 5 June 3-6pm C5A 226
Morning class will have exam in the morning class times and afternoon in the afternoon class times}

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).

Changes if any in exam structure will be notified to students.

**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.

**REFERENCES:**


**SUGGESTED READINGS**

**Websites**

Business Week (sign-up online at [www.resourcecenter.businessweek.com](http://www.resourcecenter.businessweek.com))


Wall Street Journal (sign-up online at [www.wsjstudent.com/quarter](http://www.wsjstudent.com/quarter))
Yahoo - Government: Countries  
http://www.yahoo.com/Government/Countries/

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

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

The World Index of Chambers of Commerce & Industry  
http://www.worldchambers.com/chambers.html

The United Nations  http://www.un.org/

JOURNALS  
Harvard Business Review;  
Journal of Business Strategy;  
Mckinsey Quarterly.  
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:  
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.

**STUDENT SUPPORT SERVICES**

Macquarie University provides a range of Academic Student Support Services. Details of these services can accessed at [www.student.mq.edu.au](http://www.student.mq.edu.au)
# GROUP ASSIGNMENT COVER SHEET

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

<table>
<thead>
<tr>
<th>LECTURER</th>
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<tbody>
<tr>
<td>ASSIGNMENT NAME</td>
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## GROUP MEMBERS

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<tr>
<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/](http://www.student.mq.edu.au/plagiarism/) and understand that students found to be plagiarizing will be penalized.

- [ ] 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.  
2.  
3.  
4.  
5.  
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.