

## **International Business Management**

**Course Title:** International Business Management

**Course No:** MGT474

**Nature of the Course:** Theory

**Semester:** VIII

**Full Marks:** 80 + 20

**Pass Marks:** 32 + 8

**Credit Hrs:** 3

### **Course Description:**

This course contains globalization and international business, global economy and regional, international trade and investment theories and practices, national difference in political, economic and socio-cultural environment, strategies for international business and international financial environment to provide the basic knowledge to students.

### **Course Objectives:**

The objective of this course is to familiarize students with the environment and challenges of doing business abroad. The course presents students with the opportunities to explore a number of issues and concerns relating to international business.

### **Course Contents:**

#### **Unit 1: Globalization and International Business (8 Hrs.)**

Concept of domestic, international and global business. Opportunities and challenges of IB. Globalization: Concept and drivers, Types of globalization: economic, cultural, political, environmental, production, market. International Business Environment: Economic, demographic, cultural and political-legal environment; Globalization debate: positive and negative impact.

#### **Unit 2: Global Economy and Regional Economy (6 Hrs.)**

Global economy: concept, features and structures; changing demographics of global business. MNCs: Concept, types, structures, strategies, and problems. Global economic integration: WTO (Origin, goals, structure, and functions). Regional economic integration levels: preferential trading, free trade areas, customs union, common market, economic union, and political union; International Economic Organizations: WTO, UNCTAD, World Bank, IMF EU, NAFTA, SAFTA, BIMSTEC (Origin, goals and structure).

#### **Unit 3: National Differences in Socio-cultural Environment (3 Hrs.)**

Socio-cultural implication on IB. Cultural differences: Determinants of culture: Awareness, values, norms, communication, language and religion. Dealing with cultural differences.

#### **Unit 4: National Differences in Political Environment (3 Hrs.)**

Political systems: Democracy & totalitarian spectrum. Business-government relations. Political risk: concept and types. Impact of political environment on international business. Implications of legal systems in business. Intellectual property rights.

#### **Unit 5: National Differences in Economic Environment (3 Hrs.)**

Economic system: market, command, mixed. Determinants of economic development: Inflation, Income (GDP, per capita income nominal & PPP, HDI). Level of economic development: developed, developing, and emerging economies (World Bank's Criteria).

**Unit 6: International Financial Environment (8 Hrs.)**

Foreign exchange markets, Spot market, spot rate quotations, bid-ask spreads, trading in spot markets, cross exchange rates, forward markets, forward rate, long and short forward positions, forwards premium and discount; Arbitrage, Hedging and Speculation; Types of exchange rate systems: fixed and floating, soft peg, crawling peg, free float, managed float; Factors affecting exchange rate- relative inflation rates, interest rates, relative interest rates, relative income levels, government controls, expectations; Mode of payment in international trade.

**Unit 7: Strategies for IB (6 Hrs.)**

International strategic management: Concept and importance; Modes of entry into a foreign market: Export and import; strategic alliances: equity based (wholly owned subsidiaries, acquisition, greenfield venture, equity alliances, joint venture) and contractual based (licensing, franchising, turnkey operations, BOT, management contract). FDI & portfolio investment: benefits and drawbacks.

**Unit 8: Functional Management and Operation of IB (8 Hrs.)**

Polycentric, ethnocentric, regiocentric and geocentric approach in functional management of IB. Global marketing strategies: Product strategy, distribution strategy, promotion strategy, pricing strategy. Global production strategies: location, outsourcing, managing global supply chain. Global finance strategies: sources of fund, tax practices, tax haven. Global human resource management strategies: Staffing policy, expatriate management, compensation, cultivating global mindsets.

**Recommended Books:**

1. Cavusgil S.T., Knight G. and Riesenberger J. (2017). *International Business*. Fourth Edition. England: Pearson Education Limited.
2. Hill, Charles and Hult, Tomas. (2019). *International Business*. Twelfth Edition. New York: McGraw Hill Education.
3. Daniel J.D., Radebaugh L.H., Sullivan D.P. (2015). *International business*. Fifteenth Edition. England: Pearson Education Limited.
4. Rugman A.M. and Collinson, S. (2012). *International business*. Sixth Edition. England: Pearson Education Limited.