COURSE DESCRIPTION

This course is designed for executives whose decisions will impact the strategy of their company in international operations. Topics have been selected for their likely interest to managers in Asia, such as how firms expand into foreign markets, offshoring and outsourcing, joint ventures and alliances with foreign firms, valuation of intellectual property and intangible assets, the impact of foreign exchange risk on company strategy, managing across cultures, and global integration. Many of the principles of global management are, of course, the same regardless of the location of corporate headquarters. The perspective is from the middle to senior management level.

COURSE MATERIALS

Required Readings: A Readings Pack printed by University Publishing Solutions:

(text continues from the image)
frequently boil over in street protests in many parts of the world. As managers you should be aware of the positive and negative aspects of globalization, and how to prepare your firm to deal with them.

Your study focus should be on good class notes (based on online but synchronous classes), the dozen-odd key readings (and Study Questions) in the copied readings pack, case discussions, and textbook (in descending order of importance).

**ACADEMIC INTEGRITY**

*I do NOT tolerate cheating*. Students are responsible for understanding the RU Academic Integrity Policy ([http://academicintegrity.rutgers.edu/](http://academicintegrity.rutgers.edu/)).

I will strongly enforce this Policy and pursue *all* violations. On all examinations and assignments, students must sign the RU Honor Pledge, which states, “On my honor, I have neither received nor given any unauthorized assistance on this examination or assignment.” I will screen all written assignments through SafeAssign or Turnitin, plagiarism detection services that compare the work against a large database of past work. Don’t let cheating destroy your hard-earned opportunity to learn. See [business.rutgers.edu/ai](http://business.rutgers.edu/ai) for more details.

**COURSE SCHEDULE**

**Part I. Overseas Expansion: Strategies and Options**

- Text, pages 6-7 ; 11-15 ; 17-22 ; 232-234.


- Text, pages 236-240 ; 448-449 ; 450-456 ; 459-463 ; 207 ; 218 (Antidumping)
- Contractor, “Tax Avoidance by Multinational Companies,” Revised August 2018. See revised version at https://globalbusiness.blog


§ Case: Odysseus, Inc.

§ Case: MyMuesli

§ Study Questions for Part I (updated May 2019) “Globalization has changed us into a company that searches the world, not just to sell or to source, but to find intellectual capital - the world's best talents and greatest ideas.” Jack Welch (CEO, General Electric)

Part II. The Economics Basis for International Business

- Text, pages 72-177; 303-307; 170 (China).

§ Contractor, Comparative Advantage Notes and Comparative Advantage Exercise

§ Contractor, Purchasing Power Parity

§ Contractor, Effects of Overvalued and Undervalued Currencies (revised 2015)


- “Why is Free Trade Good?” The Economist, March 14, 2018.


§ Contractor, “Does Just One Product—the iPhone—Cause an $11 Billion Trade Deficit for the US?”

https://globalbusiness.blog


§ Case: Fuyao Glass

§ Study Questions for Part II and Model Answers (updated May 2019)

Powder and ball, muskets and bayonets cannot conquer us, but we are to be subdued with British geegaws (cheap British imports, then flooding the U.S.). We can deal with an open enemy; but now, like worms, they are eating through the bottom of the vessel, and we go down without seeing our destruction.”

- Letter writer to the New Jersey Gazette, July 1782.

**Part III. Foreign Exchange Rates: Their Impact on International Operations**

A. Hedging Foreign Currency Receivables and Payables

- Text pages 301-302; 299-300.

§ Contractor, Problems in FX (Revised July 2020) Numbers 1,2,3, 4 and related Solutions

§ Contractor, “Underlying Logic and Assumptions for ‘Money Market’ Hedges.”
B. Interest Rates and Foreign Exchange Rates

- Text page 308.

**Part IV. Foreign Exchange Rates and Pricing In International Markets**

A. Economic Exposure and Operational Planning

- Text, Pages 312-315 (Economic Exposure).

§ Contractor, Problems in FX (Revised July 2020) Numbers 5,6,7,8 and related Solutions


B. Optimal Pricing as a Function of Exchange Rates


§ Contractor, Problems in FX Revised July 2020) Numbers 9,10,11 and related Solutions

§ Contractor Problems in FX (Revised July 2020) Number 11 and related Solution.

“Merchants have no country. The mere spot they stand on does not constitute so strong an attachment as that from which they draw their gains."

-- Thomas Jefferson

**Part V. Global Management In A Still-Fragmented World**

A. Local vs. Global

§ Contractor, "Globalization: What The Heck Is It?" (Revised 2013)


- Text pages 24-26; 29-32.


§ Discussion Case (Not for student presentation): Fire in a Bangladesh Factory

§ Case: Nora Sakari

§ Study Questions for Part V (updated May 2019)

V. Global Management in A Still-Fragmented World (Continued...)

B. Cultural And Economic Differences


- Text, pages 96-97; 101; 117-120; 122.


§ Case: LG Display

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**GRADING, LEARNING METHODS, REQUIREMENTS AND OTHER NOTICES:**

**Grading**

<table>
<thead>
<tr>
<th>Criterion</th>
<th>When? Due Date?</th>
<th>% of Total Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class participation</td>
<td>During every class</td>
<td>30%</td>
</tr>
<tr>
<td>Case Presentation</td>
<td>As announced</td>
<td>10%</td>
</tr>
<tr>
<td>Case Written Report</td>
<td>Due with the case presentation</td>
<td>10%</td>
</tr>
<tr>
<td>Final Test (covering all parts of the course)</td>
<td></td>
<td>25%</td>
</tr>
<tr>
<td>Articles suggested by each student</td>
<td>Throughout the class dates</td>
<td>5%</td>
</tr>
<tr>
<td>Term Paper</td>
<td></td>
<td>20%</td>
</tr>
</tbody>
</table>

Please note that the above grading proposal may be subject to change because this is transitional period for everyone, because of the switch to online teaching.

** The exact date when each part of the course may end cannot be accurately predicted. However advance notice will be given to students as to when each part of the class, and the case presentations, will occur.

The final test will occur during the last class of the course.

Class participation and attendance: These are emphatically expected, and comprise an essential portion of your grade. More importantly, students that actively engage with the ‘lectures,’ asking questions or making comments in class are the ones that get the highest grade – not just because they have spoken -- but because they are actively engaging with the material.

Suggestions for articles showing real-life connections with our course material: The educated manager must be able to critically analyze events in the global economy and in multinational companies. This is a component of your grade. Please send suggested relevant articles (up to a maximum of 5 article suggestions per student) to me by e-mail attachment.
In order to keep the course up to date, a few additional recent news analyses (from sources such as the Wall Street Journal, Economist, or Financial Times) may be distributed by me in class. Students are encouraged to bring such items to my attention, for possible distribution to the class as a whole.

Grading is done slowly and carefully. The Rutgers system may not allow posting of grades until the very end of the semester. Do not ask me for your grades. These are only available from the Registrar. Faculty are not encouraged to let students know their grades individually.

Learning Methods: The key to good learning and grades is to engage with the class ‘lectures’ and study the readings. As noted, the textbook is good and informative, but textbook pages marked Text are of lesser importance than the collected readings.

Pay attention to the “Study Questions” included at several places in the readings package. Also, pay attention in class to possible test questions I will indicate (as hints) throughout our class discussions. The most important readings are indicated by a square bullet in each section. The other readings are also required but are second priority. (Prioritizing the readings is designed to help your study).

PowerPoint slides will be posted, but are no substitute for actually reading an article. By looking at slides or passively watching videos, you may think you are capturing educational value, or learning from the course. But this is not so. Grappling with the ideas by actually reading the articles provides real value to you. If a table or figure is included in the readings I may not share all the slides, not just because it would be a duplication, but to encourage students to actually read the accompanying text.

**SUPPORT SERVICES**


[Rutgers University-New Brunswick ODS phone (848)445-6800 or email dsoffice@echo.rutgers.edu]

[Rutgers University-Newark ODS phone (973)353-5375 or email ods@newark.rutgers.edu]

If you are pregnant, the Office of Title IX and ADA Compliance is available to assist with any concerns or potential accommodations related to pregnancy.

[Rutgers University-New Brunswick Title IX Coordinator phone (848)932-8200 or email jackie.moran@rutgers.edu]

[Rutgers University-Newark Office of Title IX and ADA Compliance phone (973)353-1906 or email TitleIX@newark.rutgers.edu]
If you seek religious accommodations, the Office of the Dean of Students is available to verify absences for religious observance, as needed.

[Rutgers University-New Brunswick Dean of Students phone (848)932-2300 or email deanofstudents@echo.rutgers.edu]

[Rutgers University-Newark Dean of Students phone (973)353-5063 or email DeanofStudents@newark.rutgers.edu]

If you have experienced any form of gender or sex-based discrimination or harassment, including sexual assault, sexual harassment, relationship violence, or stalking, the Office for Violence Prevention and Victim Assistance provides help and support. More information can be found at http://vpva.rutgers.edu/.

[Rutgers University-New Brunswick incident report link: http://studentconduct.rutgers.edu/concern/. You may contact the Office for Violence Prevention and Victim Assistance at (848)932-1181]

[Rutgers University-Newark incident report link: https://cm.maxient.com/reportingform.php?RutgersUniv&layout_id=7 . You may also contact the Office of Title IX and ADA Compliance at (973)353-1906 or email at TitleIX@newark.rutgers.edu. If you wish to speak with a staff member who is confidential and does not have a reporting responsibility, you may contact the Office for Violence Prevention and Victim Assistance at (973)353-1918 or email run.vpva@rutgers.edu]

If students who have experienced a temporary condition or injury that is adversely affecting their ability to fully participate, you should submit a request via https://temporaryconditions.rutgers.edu.

If you are in need of mental health services, please use our readily available services.

[Rutgers University-Newark Counseling Center: http://counseling.newark.rutgers.edu/]

[Rutgers Counseling and Psychological Services–New Brunswick: http://rhscaps.rutgers.edu/]

If you are in need of physical health services, please use our readily available services.

[Rutgers Health Services – Newark: http://health.newark.rutgers.edu/]

If you are a military veteran or are on active military duty, you can obtain support through the Office of Veteran and Military Programs and Services. http://veterans.rutgers.edu/
If you are in need of legal services, please use our readily available services: http://rusls.rutgers.edu/

Students experiencing difficulty in courses due to English as a second language (ESL) should contact the Program in American Language Studies for supports.

[Rutgers–Newark: PALS@newark.rutgers.edu]  
[Rutgers–New Brunswick: eslpals@english.rutgers.edu]

If you are in need of additional academic assistance, please use our readily available services.

[Rutgers University-Newark Learning Center: http://www.ncas.rutgers.edu/rlc]  
[Rutgers University-Newark Writing Center: http://www.ncas.rutgers.edu/writingcenter]  
[Rutgers University-New Brunswick Learning Center: https://rlc.rutgers.edu/]

[Optional items that many faculty include:
  - Students must sign, date, and return a statement declaring that they understand the RU Academic Integrity Policy.
  - Students must sign, date, and return a statement declaring that they understand this syllabus.]