

**Business Communications and Business  
Ethics  
Course Number: 22:373:612  
Course Title: International Business Policy**

## **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.

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## **COURSE MATERIALS**

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

(NOTE: In each section the most important readings are marked with a square bullet.

Text: International Business, Charles W. Hill, McGraw Hill, 13th edition, 2020. It contains secondary but useful readings.

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## **READINGS**

All required readings necessary for your study, are available in the printed readings package. The Charles Hill textbook has auxiliary background readings. It is a well written textbook. Students are expected to read the materials in advance. The dates for each section covered, and cases will be announced in class. In a multi-disciplinary graduate course such as this one, readings will not necessarily replicate the class discussion exactly. Rather, they are meant to amplify it and provide additional material for independent reading.

The cases in the readings package tackle current globalization issues. Odysseus deals with international expansion options into the European market. MyMuesli treats methods of international expansion into other country markets. Fuyao Glass is about a Chinese firm taking over a factory in the US and the cost and efficiency comparisons between the two. The Nora Sakari case is about the negotiations between a European and Malaysian company to form a joint venture. Molto Delizioso covers the effects of Brexit on British imports, and LG Display treats the cultural and other difficulties faced by a Korean firm running an operation in Poland. Global labor, environmental and other issues relating to multinational firms

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.

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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).

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## **ACADEMIC INTEGRITY**

*I do NOT tolerate cheating.* Students are responsible for understanding the RU Academic Integrity Policy (<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.

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## **COURSE SCHEDULE**

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

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

§ Contractor, “Strategies for International Expansion” (updated May 2019)

§ Contractor, “International Entry Strategies – Criteria for Choices” - Wikipedia, “Grey Market,”

[http://en.wikipedia.org/wiki/Grey\\_market](http://en.wikipedia.org/wiki/Grey_market).

- Kendall, “High Court Backs Thai Book Reseller,” Wall Street Journal, March 20, 2013. - European Commission, “Anti-dumping” <http://ec.europa.eu/trade/policy/accessing-markets/trade-defence/actions-against-imports-into-the-eu/anti-dumping/>

- 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>

- Rubin, "Companies Save Billions in Taxes by Shifting Assets Around Globe," Wall Street Journal, April 8, 2020.

- Johnston, "Economies of Scale – Sending a T Shirt from China to Europe for 2.5 cents," November 21, 2011.

§ 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)

§ Contractor, "What Do We Mean By Undervalued or Overvalued Currencies?" Rutgers Business Review, Spring 2019. <https://globalbusiness.blog/2019/01/29/advantages-and-drawbacks-of-undervalued-versus-overvalued-currencies/>

- Batabayal, "What is a Tariff: An Economist Explains," The Conversation, March 15, 2018.

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

- Contractor, “Eleven Quick Facts About US Trade: Deficits, Dumbing and Discords,” July 2018.

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

<https://globalbusiness.blog/2018/07/12/does-just-one-product-the-iphone-cause-an-11-billion-trade-deficit-for-the-us/>

- Contractor, “Trump Administration Labels China a Currency Manipulator” August 7, 2019.

<https://globalbusiness.blog>

- Contractor, “7 Reasons to Expect US Manufacturing Resurgence” Yale Global, August 7, 2012.

§ 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

§ Case: “Molto Delizioso: Pricing and Profits Following Brexit Devaluation.” (Problem 6 in readings pack).

### B. Optimal Pricing as a Function of Exchange Rates

- Gallo, “A Refresher on Price Elasticity,” Harvard Business Review, August 21, 2015.

§ 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, "Global Management in a Still-Fragmented World," May 2015. Also available at <https://globalbusiness2.wordpress.com/2014/10/07/global-management-in-a-still-fragmented-world-updated/>

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

- Yee, "Two years after Bangladesh factory collapse, A struggle to set things right," Washington Post, April 23, 2015.

- Huq, "The Economics of a \$ 6.75 Shirt," Wall Street Journal, May 16, 2013.

- Text pages 24-26; 29-32.

- Khan & Rodriguez, "Human before the Garment: Bangladesh Tragedy Revisited. Ethical Manufacturing or Lack Thereof in Garment Manufacturing Industry," World Journal of Social Sciences, January 2015.

§ 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

§ Earley and Mosakowski, "Cultural Intelligence," Harvard Business Review, October

2004.

- Nielsen, "In Bulgaria a Nod Means No," Creative Living, Autumn 1993.

- Trompenaars & Woolliams, "lost in Translation," Harvard Business Review, April 2011.

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

- Yang, "Management Styles: American vis-a-vis Japanese," Columbia Journal of World Business, Fall 1977

§ Case: LG Display

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

### Grading

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

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.

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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.

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## SUPPORT SERVICES

If you need accommodation for a *disability*, obtain a Letter of Accommodation from the Office of Disability Services. The Office of Disability Services at Rutgers, The State University of New Jersey, provides student-centered and student-inclusive programming in compliance with the Americans with Disabilities Act of 1990, the Americans with Disabilities Act Amendments of 2008, Section 504 of the Rehabilitation Act of 1973, Section 508 of the Rehabilitation Act of 1998, and the New Jersey Law Against Discrimination. More information can be found at [ods.rutgers.edu](http://ods.rutgers.edu).

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

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

[Rutgers University-Newark Office of Title IX and ADA Compliance phone (973)353-1906 or email [TitleIX@newark.rutgers.edu](mailto: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](mailto:deanofstudents@echo.rutgers.edu)]

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

[Rutgers Health Services – New Brunswick: <http://health.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](mailto:PALS@newark.rutgers.edu)]

[Rutgers–New Brunswick: [eslpals@english.rutgers.edu](mailto: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.]