

## **MGT 534: International Business**

***Program/Semester: MBA/Second Semester***

***Course Title: International Business***

***Course Code: MGT 534***

***Credit Hours: 2***

***Lecturer Hour: 30***

### **Course Objectives**

The objective of this course is to introduce students to various issues and challenges associated with the formulation and implementation of strategies in business organizations which operate across national borders. This course examines the inner workings of international business from a strategic point of view.

### **Course Description**

This course examines various issues and challenges of international business and surveys a number of managerial issues related to international operations. Strategic decision making and alliance formation are studied as are other functional areas like finance, marketing and human resources. The formulation and implementation of strategies across borders and how they impact people in foreign countries will also be studied. The course also includes the economic, geographical, social, cultural, political, and legal influences on global business; international business opportunities and modes of entry; the risks associated with global business; international marketing issues, international production and distribution.

### **Learning Outcomes**

Upon successful completion of the course, students will be able to:

- Understand the concept of international business and discuss the different types of economic, political, cultural and legal systems and their impact on business organization.
- Identify and use appropriate sources to gather information and data needed for international business decisions.
- Analyse the opportunities and challenges in global business.
- Compare and contrast major trade theories and trade policies and their effect on business.
- Examine the economic challenges, including currency exchange, devaluation, and global financial fluctuations.
- Critically analyze the opportunities and risks associated with international business activities.
- Identify the international financial system and major international financial organisations.
- Understand the marketing positioning of the product in international market.
- Clarify the approaches, planning and strategies of international business venture for expansion.

### **Course Contents**

In line with the contemporary focus of the course, the following topics have been selected:

#### **Unit 1: Introduction to International Business**

**LH 4**

International business: concept, nature, evolution and components; domestic vs. international business; international business environment: social, cultural, political,

economic, technological, and legal environment; international trade relations, tariffs and quota; international law and business firm.

**Unit 2: Globalization of Business and Trade Theories** **LH 10**

Globalization: concept, characteristics, forms, drivers of globalization, advantages and disadvantages of globalization; globalization, privatization, liberalization, localization and regionalization; trade theories and global trade relations: introduction, mercantilism theory, theory of absolute cost advantages, comparative cost advantages theory, relative factor endowments theory, country similarity theory, product life cycle theory, global strategic rivalry theory, Porter's national competitive advantages theory, Nepal's foreign trade and relations.

**Unit 3: International Business: Modes of Entry, Opportunities and Challenges** **LH 5**

Mode of entry of international business: licensing, franchising, contract manufacturing, management contract, turnkey contracts, fully owned manufacturing facilities, joint venture, mergers and acquisitions, foreign direct investment; Opportunities of international business; prospectus, risks and challenges of global business.

**Unit 4: International Financing System** **LH 4**

International finance, global capital structure, foreign exchange rate determination, balance of payment, World Bank, International Monetary Fund, United Nations Conference on Trade and Development (UNCTAD), International Development Association.

**Unit 5: International Business Operations** **LH 7**

Global business operations and the risks associated with global business: free trade vs. protection trade, world trade value, merchandise export and imports, service exports and imports, foreign direct investment; Global production: location, scale of operations and cost of production; Globalization of markets and marketing mix strategies; International human resource management: selection, training and development; Expatriate workforce; Financial management in the international business: investment and financing decisions for international business and risk (economic risk, political risk and exchange rate risk); International business venture: planning for new venture, developing global strategies and expansion of business venture.

**Required Textbooks and Materials**

***Prescribed text books:***

Griffin, Ricky W. & Pustay, Michael W. (200). *International business: a managerial perspective*. Reading, Mass: Addison-Wesley.

Hill, C. W. L. & Jain, A.K. (2014). *International business*, 10<sup>th</sup> ed., New Delhi: McGraw Hill Education.

***Suggested References:***

Daniels, J.D., Radebaugh, L.H., Sullivan, D.P. Salwan, & P. (2017). *International business: environments and operations*, 15<sup>th</sup> ed., Noida, India.

Rao, P.S. (2014). *International business*. Mumbai, India: Himalaya Publishing House Pvt. Ltd.

Cherunilam, F. (2009). *International business*. New Delhi: PHI Learning Private Limited.

