



Faculty of Commerce and Economics

SCHOOL OF ORGANISATION AND MANAGEMENT

MGMT 2101

International Business and Multinational Operations

SESSION 1, 2006

Please read the contents of this document carefully. It will be assumed that you have obtained complete familiarity with this document. The course co-ordinator and other staff are not liable for any oversight on your part regarding obligations and responsibilities set out in this document. Direct all questions to your co-ordinator by week 2.

Information as of 01.03.06. The right to change any part of the contents, if necessary, are reserved.

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1. COURSE STAFF

Dr Pradeep Kanta Ray – Coordinator/Lecturer
Room: Quad 3013 Telephone: 9385-5848
Email: pray@unsw.edu.au
(Consultation Hrs: Thursday 10:30 AM - 12:30 PM)

1.1 Outside these times, students who wish to consult me may make an appointment by email.

2. INFORMATION ABOUT THE COURSE

2.1 Teaching times and Locations

LEC	0001	Wed 10-11:30 (PhysicsTh)
TUT	T01A	Wed 11:30-13 (Quad G045)
TUT	T02A	Wed 13:00-14:30 (Quad G045)
TUT	T03A	Wed 14:30-15:00 (Gold G05)
TUT	T04A	Wed 16:00-17:30 (G047)
TUT	T07A	Thu 10:30-12 (SqHous-206)
TUT	T08A	Thu 13-14:30 (Gold G03)

2.2 Units of Credit: MGMT 2101 is worth 6 UoW.

2.3 Parallel teaching in the course

There is no parallel teaching of this course with any other course.

2.4 Relationship of this course to other course offerings

MGMT 2101 dwells on the international *operations* of multinational enterprises (MNE). It builds on, and extends the materials taught in MGMT 1101 (a prerequisite - covering environment issues facing the MNE). MGMT 2101 demonstrates how multinational enterprises gain competitive advantage by internationalising their operations. Students majoring in IBUS will go on to take MGMT 3101 in their third year, which will dwell on strategy of multinational enterprises.

2.5 Approach to learning and teaching

The prime aim of this course is to expand the students' knowledge, and enhance their capacity for analytical and critical thinking and for creative problem-solving.

3. COURSE AIMS AND OUTCOMES

3.1 Course Aims

The aim of this course is to survey the theory and practice of international business and the multinational enterprise (MNE). The course analyses the factors that shape the globalisation process and the internationalisation of the firm and presents conceptual frameworks for the analysis of multinational enterprises. Key topics of study include: the impact of globalisation on firm behaviour and operations; the evolution and development of multinational enterprises and their geographic sweep of international business activities; specific entry stratagems, including foreign direct investment, exporting, licensing, franchising, manufacturing, acquisitions, joint ventures and strategic alliances; and the movement of goods, services, capital, knowledge and technology across national borders.

3.2 Student Learning Outcomes

After completing the course, students should have developed skills in

- Analysing how multinational enterprises (MNEs) attain global competitiveness
- Understand how MNEs conduct their functions and enhance their value chain in home and host environments
- Analysing the impact of the transnational corporate economy

In generic terms, students completing this course are likely to achieve the following attributes:

- *Applied research.* Conduct, write and present applied research relevant to this course.
- *Situational exploration.* Critically decipher situations, in terms of their factual, political, temporal, and cultural dimensions.
- *Problem resolution.* Structure and resolve organisational problems that enable management to guide multinational organizations through complex and ambiguous environments.
- *Argument and reasoning.* Analyse, evaluate and construct arguments employing different modes of reasoning and different types of evidence.
- *Disciplinary and multidisciplinary perspective.* Bring disciplinary and multi-disciplinary perspectives in elucidating situations and projecting possible outcomes.
- *Global perspective.* Use frameworks that permit the appreciation of similarities and differences in national and international approaches to human and societal concerns.

3.3 Teaching Strategies

The learning apparatus in this course consists of lectures and tutorials. Lectures expound the appropriate theoretical content in the textbook and readings. Classes provide a more detailed and nuanced analysis of both concepts and applied materials. Classes are strongly oriented towards interactive discussion of the text and cases. In order to gain the most from the lectures and class activities, the assigned text/reading *should be read before the lecture* to participate in the discussions.

During the second week, you will need to form small discussion groups (2-3 students/group) which will take turns in presenting the assigned cases each week. However, *all students are required to take active part in the discussions in class*. Look at articles and clippings from business sections of relevant electronic and print media *which are relevant to your presentation topic*. You should explain how the material relates to the theory discussed in the text.

4. STUDENT RESPONSIBILITIES AND CONDUCT

4.1 Workload

It is expected that you will spend at least **ten hours** per week studying this course. This time should be made up of reading, research, working on exercises and problems, and attending classes. In periods where you need to complete assignments or prepare for examinations, the workload may be greater. Over-commitment has been a cause of failure for many students. You should take the required workload into account when planning how to balance study with employment and other activities. Also note that this is not a distance learning course, hence you will benefit from attending classes.

4.2 Attendance

Your regular and punctual attendance at lectures and seminars is expected in this course. University regulations indicate that if students attend less than eighty per cent of scheduled classes they may be refused final assessment.

4.3 General Conduct and Behaviour

You are expected to conduct yourself with consideration and respect for the needs of your fellow students and teaching staff. Conduct which unduly disrupts or interferes with a class, such as talking, passing notes, ringing or talking on mobile phones, is not acceptable and students may be asked to leave the class. More information on student conduct is available at: www.my.unsw.edu.au

4.4 Keeping informed

You should take note of all announcements made in lectures, tutorials and/or on the course web site. From time to time, the University will send important announcements to your university e-mail address without providing you with a paper copy. You will be deemed to have received this information. The course coordinator will not be responsible for any oversight on your part in this regard.

5. LEARNING ASSESSMENT

5.1 Formal Requirements

In order to pass this course, you must:

- ☐ Achieve a composite mark of at least 50; and
- ☐ Make a satisfactory attempt at all assessment tasks (see below).
- ☐ Attain a combined pass mark of 50% in your individual assessment tasks (average of 50% in mid-session test plus final exam combined ≥ 30 marks).

5.2 Assessment Details

Mid-Session Exam (1 Hour)	20%
Written Assignment	25%
Class Participation	15%
Final Exam (Two Hours)	40%
Total	100%

Mid-Semester Exam

The mid semester exam consists of multiple choice and short answer questions which will cover the topics discussed between weeks 1-6. This is a closed book examination. The examination is worth 20% of the total.

Mid-session exam will be held in Week 7, 12 April at 6:00 PM. There will be no alternative exam time under any circumstances and no exceptions will be made in the interest of fairness. Please check with other course timetables, if you have a timetable clash. Students should notify possible clashes by the end of Week 2. Part time students should notify their employer that the attendance at the mid-session exam is compulsory and obtain their time off.

Final Exam

The final examination will consist of 15 multiple choice question and 5 essay questions - which will cover all topics discussed in the course between weeks 1-12. This is a closed book examination. The examination is worth 40% of the total.

Written Assignment

The assignment will entail a written analysis of a case or an article. The case/article will be provided to you by week 6. This is a group (3 students per group max) report and you are required to work together with your colleagues when writing it. This assignment is worth 25% of the total.

Length and Style: 2000 words excluding the executive summary, footnotes, bibliography, figures and references. Include an executive summary (maximum of 100 words). Use the cover sheet of the school. For literature citation, use the Harvard style of referencing in text and footnotes for citing additional information sources.

Class participation

A minimum attendance of 80 percent is compulsory. Students will be assessed on the basis of:

- a) Presentation of case 5%
- b) Class participation 5%
- c) Class attendance 5%

Attending tutorials classes other than the assigned one will not be counted. Absence from more than three classes during the semester will result in a zero participation grade.

Marking criteria for all assessment tasks

Marking Criteria	Marks	Learning outcomes/attributes
Quality of arguments: relevance, logic and cohesion	20	Ability to give compelling arguments and reasoning to support analysis
Use of frameworks to support analysis	20	Ability to structure problems in accordance with theoretical frameworks and resolve them
Use of case evidence to support analysis	20	Ability to conduct applied research to gather data/information pertaining to the case
Originality and usefulness of the analysis	20	Ability to engage in creative problem solving skills
Organisation, clarity of expression, editing etc	20	Clarity of vision

Tutorial preparation and discussion

Note that once assigned, you will have to stick to the tutorial group and the course coordinator cannot manually change your allocation. Tutors may need to reallocate students for those classes that have only a few students. If such a case arises you will be informed by the tutor.

During the second week, you will need to form small discussion groups (2-3 students/group) which will take turns in presenting assigned cases each week. All students are required to respond to the discussions. Look at articles and clippings from business sections of relevant electronic and print media *which are relevant to your presentation topic*. You should explain how the material relates to the questions assigned and the text.

It is important that you augment the case by getting additional information carefully beforehand so that you are fully familiar with the material, and are prepared to participate in the discussions. Preparation should include a 'learning journal' which contains your notes and other relevant information, which may be used for in-group work, and, class discussions. Your tutor will periodically inspect this learning journal for the purpose of determining your level of participation in the subject.

The arrangement of each week's tutorial will be as follows:

- There will be one group that will lead the discussion of the theory questions and thereafter make a formal presentation of the assigned case;
- This will be followed by an informal within-groups discussion;
- Thereafter, individual groups will be asked to add their own perspectives on the case.

5.3 Assignment Submission Procedure

The assignment must be handed in by Week 11 at your regular tutorial meetings. Please note:

- Students must keep copies of all work submitted in floppy diskette and hard copy. In case the assignment is misplaced, you will be required to submit a duplicate copy of the original.
- All work must be original and must not have been submitted for any other subject or course here or elsewhere.

5.4 Late Submission

- Late work will be penalised at the rate of 5 percentage points per "week day" (per 24 hours of the weekday or part thereof). Assessed work will not be accepted for the award of a mark if it is more than three 'weekdays' late.

5.5 Special Consideration and Supplementary examinations

UNSW Policy and information on special consideration, including supplementary exams can be found at: <https://my.unsw.edu.au/student/atoz/SpecialConsideration.html>

UNSW policy and process for Special Consideration applies (see <https://my.unsw.edu.au/student/atoz/SpecialConsideration.html>). Specifically:

- Applications for special consideration (including supplementary examinations) must go through UNSW Central administration (within 3 working days of the assessment to which it refers) – applications will not be accepted by teaching staff;
- Applying for special consideration does not automatically mean that you will be granted additional assessment or that you will be awarded an amended result;
- If you are making an application for special consideration (through UNSW Central Administration) please notify your Lecturer in Charge;
- Please note: a register of applications for Special Consideration is maintained. History of previous applications for Special Consideration is taken into account when considering each case.

6. Academic Honesty and Plagiarism

The University regards plagiarism as a form of academic misconduct, and has very strict rules regarding plagiarism. For full information regarding policies, penalties and information to help you avoid plagiarism see: <http://www.lc.unsw.edu.au/plagiarism/index.html>

Plagiarism is the presentation of the thoughts or work of another as one's own.* Examples include:

- direct duplication of the thoughts or work of another, including by copying work, or knowingly permitting it to be copied. This includes copying material, ideas or concepts from a book, article, report or other written document (whether published or unpublished), composition, artwork, design, drawing, circuitry, computer program or software, web site, Internet, other electronic resource, or another person's assignment without appropriate acknowledgement;
- paraphrasing another person's work with very minor changes keeping the meaning, form and/or progression of ideas of the original;
- piecing together sections of the work of others into a new whole;
- presenting an assessment item as independent work when it has been produced in whole or part in collusion with other people, for example, another student or a tutor; and,
- claiming credit for a proportion a work contributed to a group assessment item that is greater than that actually contributed.†

Submitting an assessment item that has already been submitted for academic credit elsewhere may also be considered plagiarism.

The inclusion of the thoughts or work of another with attribution appropriate to the academic discipline does *not* amount to plagiarism.

Students are reminded of their Rights and Responsibilities in respect of plagiarism, as set out in the University Undergraduate and Postgraduate Handbooks, and are encouraged to seek advice from academic staff whenever necessary to ensure they avoid plagiarism in all its forms.

The Learning Centre website is the central University online resource for staff and student information on plagiarism and academic honesty. It can be located at:

www.lc.unsw.edu.au/plagiarism

The Learning Centre also provides substantial educational written materials, workshops, and tutorials to aid students, for example, in:

- correct referencing practices;
- paraphrasing, summarising, essay writing, and time management;
- appropriate use of, and attribution for, a range of materials including text, images, formulae and concepts.

Individual assistance is available on request from The Learning Centre.

Students are also reminded that careful time management is an important part of study and one of the identified causes of plagiarism is poor time management. Students should allow sufficient time for research, drafting, and the proper referencing of sources in preparing all assessment items.

* Based on that proposed to the University of Newcastle by the St James Ethics Centre. Used with kind permission from the University of Newcastle

† Adapted with kind permission from the University of Melbourne.

7. STUDENT RESOURCES

7.1 Course Resources

Textbook:

Charles Hill (2005), *International Business* (5th ed.), McGraw Hill.

Reference Books:

Daniels, J.D., L.H. Radebaugh, and D.P. Sullivan (2004), *International Business: Environment and Operations*, 10th edition, Upper Saddle River: Pearson Education.

Dunning, J. (1993), *Multinational Enterprises and the Global Economy*, Addison-Wesley.

Case/Readings Pack:

A set of 12 cases have been selected for your weekly tutorial meetings. Please obtain the case pack from the UNSW bookshop.

Additional materials provided in WebCT

We will attempt to make lecture notes and additional reading available on WebCT. However this is not an automatic entitlement for students doing this subject. Note that this is not a distance learning course, and you are expected to attend lectures and take notes. This way, you will get the additional benefit of class interaction and demonstration.

Recommended Internet sites

Sirius/ABI Inform
Business Week
The Economist
Fortune
Forbes

Useful Journals:

Journal of International Business Studies
Journal of World Business
Management International Review
Academy of Management Executive
European Journal of Management
Harvard Business Review
International Business Review

The University and the Faculty provide a wide range of support services for students, including:

- **Learning and study support**
 - FCE Education Development Unit (<http://education.fce.unsw.edu.au>)
 - UNSW Learning Centre (<http://www.lc.unsw.edu.au>)
 - EdTec – WebCT information (<http://www.edtec.unsw.edu.au>)
- **Counselling support** - <http://www.counselling.unsw.edu.au>
- **Library training and support services** - <http://info.library.unsw.edu.au>
- **Disability Support Services** – Those students who have a disability that requires some adjustment in their teaching or learning environment are encouraged to discuss their study needs with the Course Coordinator or the Equity Officer (<http://www.equity.unsw.edu.au/disabil.html>). Early notification is essential to enable any necessary adjustments to be made.

In addition, it is important that all students are familiar with University policies and procedures in relation to such issues as:

- **Examination procedures** and advice concerning illness or misadventure
<https://my.unsw.edu.au/student/academiclife/assessment/examinations/examinationrules.html>
- **Occupational Health and Safety** policies and student responsibilities;
<http://www.riskman.unsw.edu.au/ohs/Policies%20&%20Procedures/UNSW%20OHS%20Accountability.pdf>

8. CONTINUAL COURSE IMPROVEMENT

Each year feedback is sought from students and other stakeholders about the courses offered in the School and continual improvements are made based on this feedback. UNSW's Course and Teaching Evaluation and Improvement (CATEI) Process (http://www.ltu.unsw.edu.au/ref4-5-1_catei_process.cfm) is one of the ways in which student evaluative feedback is gathered. Significant changes to courses and programs within the School are communicated to subsequent cohorts of students.

9. COURSE SCHEDULE

9.1 OUTLINE OF LECTURES

The list of lecture topics and cases is provided below for your easy reference throughout the semester. Lectures aim to extend materials in the text and provide a more detailed and nuanced analysis of both theoretical concepts and applied materials.

Wk	Date	Topic	Text	Tutorial Outline
1	1/3	Introduction and Overview		No Tutorial
2	8/2	Globalisation and International Business	Ch 1	Tutorial Group Selection
3	15/3	The Multinational Enterprise	Ch 6,	Week 3: General Motors
4	22/3	The Political Economy of Trade and Investment	Ch 4, 5,7	Week 4: Honda
5	29/3	Competitive Advantage of Nations	Ch 5	Week 5: Boeing versus Airbus
6	5/4	The Evolution and Mentalities of the Multinational Enterprise	Ch 1,4	Week 6: Samsung and Sony
7	12/4	Mid Session Test:		
8	26/4	Entry Strategy 1: Foreign Direct Investment	Ch. 6	Week 8: Gillette – self directed case learning week (no tutorial meeting)
9	3/5	Entry Strategy 2: Managing International Trade – Exports and Imports	Ch. 15	Week 9: Matsushita
10	10/5	Entry Strategy 3: Strategic Alliances, Joint Ventures, Mergers and Acquisitions	Ch. 14	Week 10: Laura Ashley
11	17/5	Managing Global Research and Development	Ch. 17	Week 11: Daimler Chrysler A and B
12	24/5	Global Manufacturing	Ch. 16	Week 12: Sony and Matsushita
13	31/5	Business Process Outsourcing in the New Era of Globalisation		Week 13: Toyota and Volvo/ Manufacturing

				Technology in Japan
14	7/6	Review: The Future of Globalisation		Review

9.2 OUTLINE OF LECTURES (Contd.)

Note that each week your group will be required to present a case study analysis by turn. Use your time efficiently to prepare before every tutorial meeting. Discuss with your group members as to the common strategy for sourcing, documenting, analysing and presenting cases each week - for which a basic minimum interaction will be necessary.

Week 2 Lecture

GLOBALISATION AND INTERNATIONAL BUSINESS

What is globalisation and why is it important to understand its reach and salience? Who gains and who loses in the process of globalisation? This lecture gives a historical perspective of globalisation and the realities of the world we live in.

Week 3 Lecture

THE MULTINATIONAL ENTERPRISE

How and why did firms become multinational? What advantages did they gain by being multinational as opposed to purely local firms? Are these advantages drawn from their larger monetary, knowledge and human resources; broader experience; research capabilities and a dynamic structure?

Week 4 lecture

POLITICAL ECONOMY OF INTERNATIONAL TRADE AND INVESTMENT

What leads national governments to protect their economies from international competition? The lecture explores the concept of trade and investment under imperfect competition (monopoly and monopolistic competition). We give an overview of the new trade theory under intra-industry trade and its consequences.

Week 5 Lecture

COMPETITIVE ADVANTAGE OF NATIONS

What explains competitive advantage on nations? The “Diamond Framework” is often used to assess country competitiveness in particular industries or fields. This framework consists of four factors (a) factor conditions (b) demand conditions (c) related and supporting industries, and (d) rivalry and business practice.

Week 6 Lecture

THE EVOLUTION OF THE MULTINATIONAL ENTERPRISE

What consequences follow when advanced countries innovate and engage in trade with less advanced countries? This lecture explains international product cycles can lead to trade and investment and in turn this results in changing mentalities of the MNE.

Week 8 Lecture

ENTRY STRATEGY 1: Foreign direct investment

Why do firms engage in foreign direct investment instead of exporting? Why do international firms transfer knowledge and key assets overseas whilst still maintaining proprietary control?

Week 9 Lecture

ENTRY STRATEGY 2: Managing international trade

International entry strategies are concerned with where, when, and how firms should enter in their international expansion efforts. Early movers can benefit from greater market power greater pre-emptive opportunities in marketing, resources, and branding, along with greater strategic options.

Week 10 Lecture

ENTRY STRATEGY 3: Global strategic alliances

What are the different forms of global strategic alliances (GSAs) and why have these become a popular vehicle for globalisation? GSAs provide MNEs with many possible gains such as access to foreign markets, learning from foreign firms, sharing start-up costs and project risks, reducing global competition, and improving local acceptance.

Week 11 Lecture

MANAGING GLOBAL R&D

What gains arise from globalising the process of innovation? Globalising R&D through a process of operating R&D facilities in different countries provides an access to other countries' technical or scientific resources or talents; strengthens competitive advantages and local adaptation; and facilitates inter and intra-firm knowledge sharing.

Week 12 Lecture

GLOBAL MANUFACTURING

What are the best practices in manufacturing management? The purpose of this lecture is to demonstrate how MNEs gain competitive advantage through streamlining their manufacturing strategies. Explains concepts of world class manufacturing, TQM, JIT management etc.

Week 13 Lecture

BUSINESS PROCESS OUTSOURCING AND SUPPLY CHAIN MANAGEMENT

What implications can we draw from the latest phenomenon of production shifting to China and services to India? The term "global supply chain" covers both "logistics" and "operations". Supply chain management is a key ingredient in global strategy. Electronic commerce has become the key vehicle through which transactions regarding buying, selling, distributing or delivering goods and services over the Internet are occurring.

Week 14 Lecture

CONCLUSION

9.3 FORMAT OF TUTORIALS

Week 3 Tutorial

Case: General Motors

Week 4 Tutorial

Case: Honda

Week 5 Tutorial

Case: Boeing versus Airbus

Week 6 Tutorial

Case: Samsung and Sony (please download this reading by going to Sirius - Electronic resources - ABI Inform – type the name of the article).

Week 7 Tutorial

No tutorials this week. Attend mid-semester exam.

Week 8 Tutorial

Case: Gillette –**Self directed case learning week. Tutors will be available for consultation in the regular tutorial timings. No tutorial meeting.**

Week 9 Tutorial

Case: Matsushita

Week 10 Tutorial

Case: Laura Ashley

Week 11

Case: Daimler Chrysler

Week 12 Tutorial

Case: Sony and Matsushita

Week 13 Tutorial

Case: Toyota and Volvo

We hope you enjoy the course.

Pradeep Kanta Ray
COURSE COORDINATOR AND LECTURER