

MGT 251: International Business

Full Marks: 100

Pass Marks: 35

Lecture Hours: 150

Course Objectives

The basic objective of the course is to provide the students the fundamental knowledge of the international business environment and marketing. The course also aims to develop students' skills to apprehend the international business performance.

Course Details

Unit 1: The Nature of International Business

LH 10

Definition, nature, components, scope, opportunities and challenges of IB. History of IB. Domestic Vs IB. Factors leading to the growth of IB.

Unit 2: Global Economy and Regional Economic Integration

LH 22

Structure of the global economy-matured market system, developing economic and other economic systems. Transition in the economic system.

Regional Economic Integration- Concept and purpose. Types of integration- preferential trading agreements, free trade area, custom union, common markets, and economic union. Benefits and costs of economic integration.

Unit 3: Globalization and International Business

LH 15

Concept, nature and stages of globalization. Process and forms of globalization. Components of globalization. Characteristics of contemporary world business. WTO – origin, objectives, structure and functions. Concepts of globalization and international business; Factors affecting globalization; Reasons for international business expansion; Drivers of market globalization; Domestic vs international business.

Unit 4: Modes of Entering IB

LH 22

Determinants of entry modes. Contractual entry modes – licensing, franchising, management contract, turn-key projects. Foreign Direct Investment (FDI) – concept, trends in FDI, strategies and techniques of FDI. Mergers and acquisitions. Strategic alliances – nature, benefits, scope of international strategic alliances.

Unit 5: International Business Environment

LH 34

Political and legal systems; Actors in political and legal systems; Political risks; e-commerce and intellectual property rights; Government interventions and investment barriers; – concept, types of economic systems and structures, Competition, privatization and deregulation. Preliminary economic indicators. Process of analyzing economic environment. . International monetary system – determination of exchange rates, fixed vs. floating exchange market. World's main financial markets. Techniques of financing foreign trade. Exchange control and liberalization. International payment systems. Regional economic integration – types, leading economic blocs; Emerging foreign markets; The changing demographics of the global economy; International monetary and financial environment – currencies and exchange rate systems; The floating exchange rate system; Modes of payment in international trade; Global financial system; International economic institutions; WTO and free trade policies. Socio-cultural environment – concept, cultural diversity. Implications of cross-culture for IB. national differences in terms of ethics and social responsibility, why culture matters in international business?

Unit 6: Planning, Organization, and Control of IB

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H 22

Planning – the nature of planning, strategic plans, types of planning systems, gap analysis. Definition, and characteristics of MNCs , Organization structure for MNCs – functional structure, regional structure and product structure, span of control, criticisms of MNCs, conflict with host country. Control – nature, control systems. Headquarters – subsidiary relations, Appraising the performance of foreign subsidiaries.

Unit 7: Strategies for IB

L

H 15

Concept, features, process, strategic objectives, strategy formulation, product portfolio analysis – advantages and problems of portfolio analysis. Competitive strategy. Sources of competitive advantages. The value chain. Critical success factors. Strategy and opportunity assessment; Role of strategy in international business; Estimating market potential; Choosing a strategy; Entering and operating in international markets – exporting and importing, collaborative ventures and strategic alliances, licensing, franchising; Global outsourcing; MNCs and Foreign Direct Investment (FDI) in the world economy – concept, types and trends.

Project Work

L

H 10

After the completion of fourth year concentration classes the students shall have to prepare and submit a project work in the area they have specialized. The subject teachers have to discuss with students on possible topics of the project work, availability and sources of literature, availability of data, data collection methods, appropriate tools of data analysis, etc relevant to the subject within 10 lecture hours.

Basic Books

Bennet, R., *International Business*, New Delhi : Pearson Education. Aswathappa, K., *International Business*, New Delhi : Tata Mc-Graw Hill.

Reference Books

Sharan, V. *International Business*, New Delhi: Pearson Education
Rao, P. S. *International Business*, Mumbai: Himalaya Publishing House
Daniels & Radhebaugh, L.H., *International Business*, New Delhi: Pearson Education.