

**ECN304 INTERNATIONAL BUSINESS (3 credits\*)**

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Days/Time: Tuesdays, Thursdays 09:00-10:15; Venue: D102

Semesters: Spring and Fall

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Office hours: Tuesdays, Thursdays 13:00-14:00 or by appointment

\*Note: AIU degree-seeking students who are following the 2004 curriculum will receive 4 credits for this course, after successful completion of a “special project.” See the end of this syllabus for more information. For these “4-credit students,” the course code from the 2004 curriculum is BUS320.

**DESCRIPTION:** This is an introductory course in international business. Major topics are national differences in political economy and culture, international trade and investment, international monetary system, international capital markets, foreign exchange rates, international corporate strategy and structure, and the ‘disciplines’ of business from international perspectives (manufacturing, materials management, marketing, R&D, and human resource management). Our view of the global marketplace will be from the perspective of Japan, and theories and concepts will be applied mostly in the context of Japan and Japanese firms.

**COURSE OBJECTIVES:** Students will attain basic understanding of a wide range of theories and concepts related to national differences in political economy and culture, international trade and investment, the international monetary system, international capital markets, foreign exchange rates, international corporate strategy and structure, and international business operations. At the end of the course, the successful student will be able to define, without aid of textbook, 80% of the approximately 300 concepts and theories from our textbook and lectures, and will be explain how they apply, or do not apply or may apply uniquely, to the Japanese market.

**STUDY MATERIALS:**

**<Textbook>**

Hill, Charles. International Business: Competing in the global marketplace, 8e. International edition. McGraw-Hill, 2011.

**<Website General Reading>**

Students are strongly encouraged to follow regularly articles that appear in daily newspapers, and especially the *Nikkei Weekly*. Other printed media that are particularly recommended are the *Economist*, *BusinessWeek*, *Fortune*, *Fast Company*, *Inc*, and *Entrepreneur*. The ‘CEO Express’ website at <http://www.ceoexpress.com/default.asp> is also highly recommended as a one-stop information source for busy executives.

### <Website Reading for News Brief Analyses (NBA)>

Students are required to read daily the online version of the *Nikkei Shimbun*, which is available in both English and Japanese and may be accessed at <http://e.nikkei.com> from campus computers.

### ASSESSMENT:

<for students taking this course for 3 credits>

10% class participation

15% weekly Team Projects

25% surprise quizzes (probably 3)

50% final exam

<for students taking this course for 4 credits>

10% class participation

15% weekly Team Projects

25% surprise quizzes (probably 3)

25% special project (see the end of this syllabus for instructions)

25% final exam

**ACADEMIC PREPARATION:** Previous study of basic courses in economic and business provides a good foundation for the concepts and theories that we will cover in this course, but is not a requirement for enrollment.

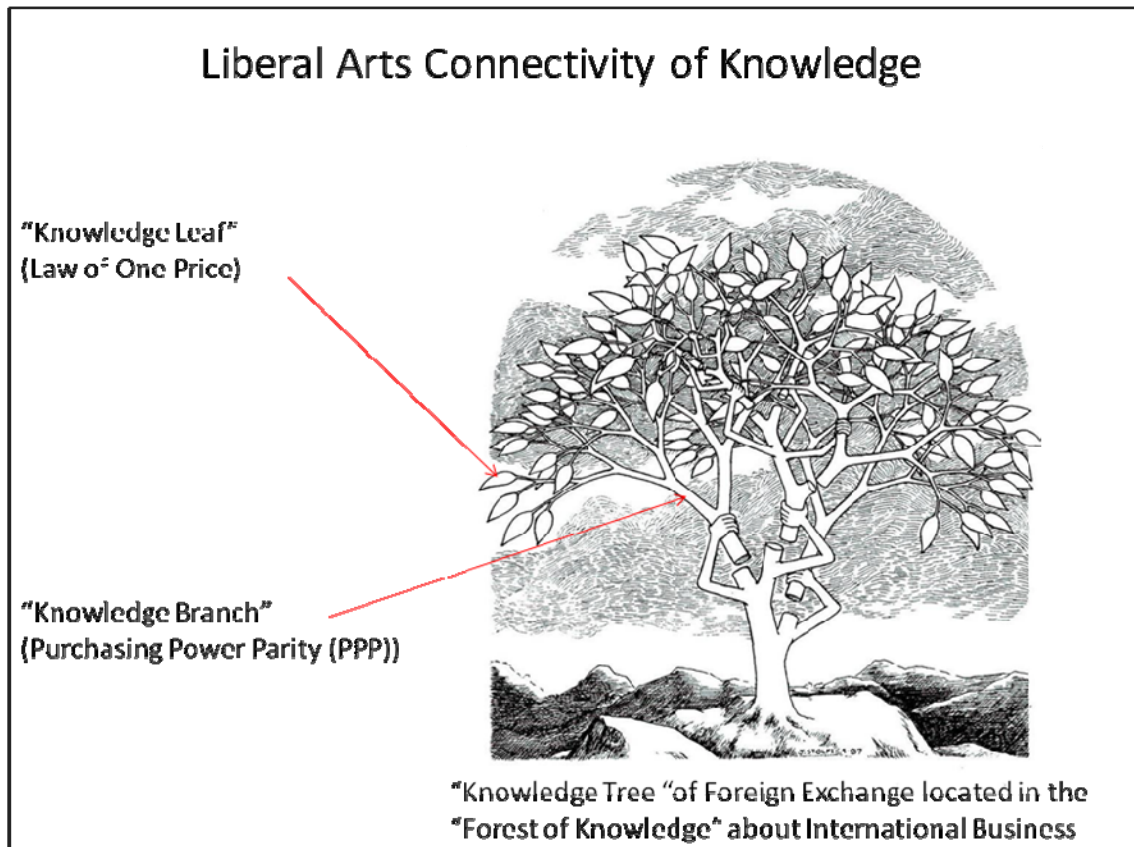
**CONNECTIVITY IN A KNOWLEDGE FOREST.** When you are learning a subject, my advice is to approach it as a “forest of knowledge.” Inside the forest are many trees, branches, and leaves. Always look for and try to understand the connectivity of your subject matter – the connections between the forest, trees, branches, and leaves.

For example, one of the courses I teach is ECN304 International Business. That course is about the “forest of international business knowledge.” Inside the knowledge forest are many knowledge trees: theories of foreign exchange (為替理論)、theories of international trade (國際貿易理論)、theories of foreign direct investment (海外直接投資理論)、and theories of international strategy (企業國際戰略理論). Each knowledge tree has many knowledge branches: interest rate parity theorem (IRPT), purchasing power parity (PPP), etc. Each knowledge branch has many knowledge leaves: law of one price, theories of interest rate determination, etc.

When you are studying difficult material, it helps to frame your learning using the analogy of a forest, comprised of many trees, branches, and leaves. When studying detailed matters (the leaves), always connect leaves to branches, branches to trees, and trees to the forest. By connecting received knowledge, you will not lose sight of the “big picture,” will understand the subject matter more deeply, and will be less apt to forget what you are learning. One of the key philosophies of liberal arts education is that knowledge should be

acquired in a connected way to create intersections among a broad range of subjects. This differentiates liberal arts education from other educational approaches that are overly concerned about relevance to specific careers.

My advice to students is to view education from the perspective of interconnectivity. Connect your learning. Look for intersections of knowledge.



**POLICIES:** All assignments and exams must be completed to receive a passing grade. Students are reminded not to engage in acts of plagiarism or other forms academic dishonesty. See <http://en.wikipedia.org/wiki/Plagiarism> for more information.

**COURSE FORMAT AND ACTIVITIES:** Generally, class sessions will alternate between "lecture days" and "Team Project presentation days." On lecture days, we will review theories and key concepts related to the assigned reading for that week. Before the lecture, students will have completed the assigned reading and already will be familiar with key concepts and theories. Classes are interactive. During our review, students will be called upon to help explain concepts and theories. On Team Project presentation days

student teams will demonstrate through oral and written presentations the application of theories and key concepts to the business world in contemporary Japan.

**TEAM PROJECTS:** This part of the course is designed to help students understand the application of received theories and concepts. Students will choose from a short list 'key concepts' provided by the instructor, then search recent news media to find a 'real world' application of the selected concept or theory. The application should involve Japanese companies or international companies operating in Japan. Team Projects will be done by teams. Team size will depend on class size. Generally, students will be required to do one Team Project per week. One type of Team Project is New Brief Analysis (NBA). NBAs must be written up in the form of an executive summary and will be presented orally in class (about 2-4 minutes). However, in the case of especially interesting Team Projects, we could spend much longer. At the end of class Team Projects will be submitted to the instructor. More information about the nature of Team Projects and how to do them will be provided in class.

## **SCHEDULE:**

### **Week 1**

April 13 (Tue) *Overview & Formation of teams*

April 15 (Thu) *Chap 1: Globalization (pp. 2-39)*  
Lecture and discussion

### **Week 2**

*Chap 2: National Differences in Political Economy (pp. 40-85)*

April 20 (Tue) **Class cancelled**

April 22 (Thu) Lecture and discussion; Team Project #1 (Political Space)

### **Week 3**

*Chap 3: Differences in Culture (pp. 86-121)*

April 27 (Tue) Lecture and discussion

May 6 (Thu) Team Project #2 (Culture Shock: Japan)

## **GOLDEN WEEK APRIL 29-MAY 6 (no classes)**

### **Week 4**

*Chap 4: Ethics in International Business (pp. 122-151)*

Lecture and discussion

May 11 (Tue) Lecture and discussion

May 13 (Thu) Team Project #3 (Case Studies: Google in China, Mired in Corruption, Goldman Sachs)

### **Week 5**

*Chap 5: International Trade Theory (pp. 158-195)*

May 18 (Tue) Lecture and discussion

May 20 (Thu) Class is cancelled

### **Week 6**

*Chap 6: Political Economy of International Trade (pp. 196-229)*

May 25 (Tue) Lecture and discussion

May 27 (Thu) Team Project #4 (NBA: administrative trade policies (“gyoseishido”), dumping infant industry argument, strategic trade policy, modern day example of Smoot-Hawley Act)

### **Week 7**

*Chap 7: Foreign Direct Investment (pp. 230-263)*

June 1 (Tue) Lecture and discussion

June 3 (Thu) Team Project #5 BOP and FDI presentations

### **Week 8**

*Chap 8: Regional Economic Integration (pp. 264-295)*

June 8 (Tue) Lecture and discussion

June 10 (Thu) Team Project #6 (NBA: trade creation, trade diversion)

### **Week 9**

*Case Studies from Part 3 (pp. 298-309)*

June 15 (Tue) Team Project #7: NAFTA and US Textile Industry; and Martin’s Textiles

June 17 (Thu) Team Project #8: Agricultural Subsidies and Development; Boeing versus Airbus; and Starbucks’ FDI

### **Week 10**

*Chap 9: Foreign Exchange Market (pp. 310-339)*

June 22 (Tue) Lecture and discussion

June 24 (Thu) Team Project #9 (NBA: arbitrage, efficient market, bandwagon effect, capital flight, countertrade)

### **Week 11**

*Chap 10: International Monetary System (pp. 340-373)*

June 29 (Tue) Lecture and discussion

July 1 (Thu) Team Project #10 (NBA: gold standard, monetary discipline, foreign debt crisis, banking crisis, currency crisis, moral hazard)

### **Week 12**

*Chap 11: Global Capital Market (pp. 374-396)*

July 6 (Tue) Lecture and discussion (including “cost of capital”)

July 8 (Thu) Team Project #11 (Case Study: Argentina’s Monetary Crisis (p.399)

July 13 (Tue) Team Project #12 “Cost of Capital” presentations

### **Week 13**

*Chap 12: Strategy of International Business (pp. 400-429)*

July 15 (Thu) Lecture and discussion

July 20 (Tue) Team Project #13 (NBA: value creation, value chain, strategic positioning, core competence, location economies, experience curve)

### **Week 14**

*Chap 13: Organization of International Business (pp. 431-467)*

*Chap 14: Entry Strategy and Strategic Alliances (pp. 468-499)*

July 22 (Thu) Lecture and discussion

### **Week 15**

July 27 (Tue) *Final exam*

### **“SPECIAL PROJECT” FOR DEGREE-SEEKING STUDENTS TAKING THIS COURSE FOR 4 CREDITS (students following the 2004 curriculum):**

Students taking this course for 4 credits must do a “special project.” The special project is worth 1 credit. Note that 1 credit is equivalent to 15 class hours. For this course, it is expected that average students spend about 2-3 hours of preparation work prior to each class hour. Therefore, it is expected that “4-credit students” will have spent between 45 to 60 hours working on the “special project.” The special project is an analysis of the international business of a Japanese company. Students are free to choose (1) the company to analyze and (2) the nature of their analysis. It is expected that students will use many of the concepts and theories from our textbook in their analysis. The analysis should be typed, and be 10 pages in length, double-spaced (not including exhibits). The due date is July 22 (the last day of class). Some students already know who their employer will be after graduation or already have in mind which company or at least in which industry they would like to work. In such case, that company/industry might be a good choice for the special project. For “4-credit students,” performance of the special project will determine 25% of your final grade for this course.