
BASM 530 (301): THE INTERNATIONAL TRADING ENVIRONMENT

Course Outline

COURSE GOALS

- *To provide the basic concepts and analytics of international business management.*
- *To provide a systematic framework for thinking about international business strategies within a context of economics, law and institutions.*
- *To enable students to become decision makers in an export-oriented business or multinational enterprise.*

LEARNING OBJECTIVES

At the end of the course, students will be able to:

- *Identify the types of risks inherent in international business and apply mitigating strategies;*
- *Identify the factors underlying the location choice of an international business with respect to comparative and competitive advantage;*
- *Design tools to adapt to foreign markets and deal with exchange rate risk;*
- *Understand the role of institutions and international law in international business operations;*
- *Develop an export plan.*

ASSESSMENT SUMMARY

<i>Export Plan</i>	<i>40%</i>
— <i>own team's written report</i>	<i>20%</i>
— <i>own team's presentation</i>	<i>15%</i>
— <i>evaluation of other team's report</i>	<i>5%</i>
<i>Final Exam</i>	<i>40%</i>
<i>Participation</i>	<i>20%</i>

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COURSE INFORMATION

Division: Strategy and Business Economics

Term/period: Winter 2017, Term 1

Instructor: Dr. Werner Antweiler

Program: Part-time MBA

Email: werner.antweiler@ubc.ca

Class meeting times: Saturday Nov. 4 - 8:30am-5:30pm;

Phone: 604-822-8484

Friday, Nov. 24 - 5:00-9:30pm;

Office hours: By appointment

Saturday, Nov. 25 - 8:30am-5:30pm.

Section number: 301

Exam: T.B.A. (2 hours)

Course duration: November/December 2017

Classroom location: HA 133

Course website: <http://wernerantweiler.ca/basm530/>

BRIEF COURSE DESCRIPTION

This module introduces the international trading environment, the forces that determine the pattern of trade (who exports what to whom?), and how firms respond to international law and institutions. This module focuses on exporting and importing as well as basic aspects of international finance.

International trade is about location advantages and the specialization in production, thus exploiting country differences in productivity, factor endowment, and production scale. We will look at international trade from the perspective of economic theory, and then proceed to the formulation of business strategy by identifying the specific opportunities and risks created by the international trading environment. Michael Porter's model of competitiveness in the international business environment provides a unifying perspective on these issues. This module also explores how location advantages may be offset by higher transaction costs or location-specific risks. As the international trading environment is characterized by a significant degree of government involvement through trade law and trade policy, we will identify the instruments of government involvement and assess their impact on the international business.

The full-time and part-time versions of this course are identical in contents and I will teach both this term.

COURSE MATERIALS & REQUIREMENTS

The recommended textbook for this module is *Elements of Multinational Strategy* by Keith Head, Springer 2008. The book is available in the UBC bookstore and can be found free online at <http://link.springer.com/book/10.1007%2F978-3-540-44766-5>. Additional readings will be provided through an on-line reading list of articles from suitable newspapers, journals, and business magazines.

The Harvard Business School case "Tesla Motors" (Dec. 2015) will be used for the major case study and will be available for free through the access-restricted course web site.

Please note that course materials are only accessible through the instructor's web site, not UBC Connect. However, the course management system on Prof. Antweiler's web site is integrated with CWL.

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ASSESSMENT

Participation

It is important to attend all sessions and fully engage in classroom discussions of the pertinent topics. Please keep your class notes up-to-date. The final exam will cover everything discussed in class in addition to what is covered in presentation slides and articles.

Export Plan Team Project

A self-directed team project is part of this course. Students are asked to form teams of four (3–5) students in order to research, prepare, write, present, and evaluate an export plan. The export plan for a business should: (1) profile the company briefly; (2) describe the products and/or services which the company proposes to market abroad; (3) identify a suitable target country; (4) estimate the potential market size for your product; (5) assess the challenge posed by competitors; (6) consider a suitable marketing and pricing strategy; (7) discuss the necessary transportation logistics; (8) describe possible constraints to export success such as domestic and foreign competition, tariff and non-tariff barriers, consumer preferences, and economic and financial market factors; (9) discuss the need for partnering in the foreign country to ensure distribution; (10) assess the need for export financing or insurance; (11) consider exchange rate risk; and (12) evaluate the overall potential for success. The topic of your export plan must be discussed with and approved by your instructor by the end of the second week. Helpful information and pointers to resources will be posted on the course web site.

The export plan should not exceed about 12 pages of text and may contain additional appendix material such as charts, figures, tables, and references. Given the space constraint, you will have to be very selective in what you include. Demonstrate that you can apply theory taught in class and that you can conduct thorough factual research (document your sources in a reference section at the end of the paper). When using information from web sites, make sure that you identify the credibility and timeliness of the source.

A summary of the export plan should be presented in our last session on Saturday November 25 so that other students can learn from your ideas and comment on them. The purpose of the 10-15 minute presentation is to convince the audience that the export plan is profitable—a reasonable match of risk and return. The written export plan must be turned in to the instructor on the day of the presentation. All export plans will be posted as PDFs in the course management system to share with the other students in this course.

The instructor will grade the written export plans on three criteria: (a) quality and depth of research; (b) comprehensiveness and breadth of coverage; and (c) effectiveness of communication and consistency of arguments. The entire audience will grade the presentations through peer evaluations.

Lastly, each team will write a 1-2 page evaluation of another team's report, to be shared with both the instructor and the other team. This evaluation report is due on the day of the final exam. The purpose of this evaluation report is to mimic the process of approving an export plan for funding (e.g., a loan, EDC funding).

Final Exam

A final two-hour written exam will be held during the exam week, with the exact date to be announced later. The final exam consists of two parts: a true-false quiz with 52 statements bundled into 11-12 topics (which should take about 30 minutes) and three essay-style questions worth 16 points each (which should take about 30 minutes per question). One of the questions will be based on the in-class discussions of a pertinent topic or case. The exam will be marked out of 100 points, with 52 points for the true-false quiz and 48 points for the essay part.

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SCHEDULE

Class#	CLASS TOPICS
Saturday, Nov. 4, 2017	<p>8:30am-10:20am – Canada in the Global Economy: Major Trends and Challenges</p> <p>10:20am-10:40am – Coffee Break</p> <p>10:40am-12:30pm – Comparative Advantage and Location Choice</p> <p>12:30pm-1:30pm – Lunch Break</p> <p>1:30pm-3:20pm – Gaining and Defending Competitiveness; Country Risk Management</p> <p>3:20pm-3:40pm – Coffee Break</p> <p>3:40pm-5:30pm – Special Topics in Focus: Global Energy Markets and Climate Change</p>
Friday, Nov. 24, 2017	<p>5:00am-6:30pm – Import-Export Logistics and Pricing</p> <p>6:30pm-7:30pm – Dinner and Global Opportunities Information Session (food is catered)</p> <p>7:20pm-9:20pm – Exchange Rates and Managing Exchange Rate Risk</p>
Saturday, Nov. 25, 2017	<p>8:30am-10:20am – International Trade Law & Policy</p> <p>10:20am-10:40am – Coffee Break</p> <p>10:40pm-12:30pm – International Marketing</p> <p>12:30pm-1:30pm – Lunch Break</p> <p>1:30pm-2:40pm – Major Case Discussion (Tesla Motors)</p> <p>2:40pm-3:00pm – Coffee Break</p> <p>3:00pm-5:30pm – Team Presentations [1–5]</p>
Saturday, Dec. 9, 2017	<p>10:00-12:00 – Final Exam</p>

Adequate breaks will be provided during the day: a short break each hour, a longer break every two hours, and a one-hour lunch break on all-day teaching days.

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KEY REGULATIONS

Attendance: As per RHL policy on Professionalism, Attendance and Behaviour, students are expected to attend 100% of their scheduled classes. Students missing more than 20% of scheduled classes for reasons other than illness will be withdrawn from the course. Withdrawals, depending on timing, could result in a “W” or an “F” standing on a student’s transcript. Students must notify their instructors at the earliest opportunity if they are expected to miss a class due to illness. A medical note from a licensed, local doctor is required if more than 20% of scheduled classes for a course are missed due to illness. Students are required to notify the Student Experience Manager if they are absent from two or more classes due to illness.

Tardiness: As per RHL policy on Professionalism, Attendance and Behaviour, students are expected to arrive for classes and activities on time and fully prepared. Late arrivals may be refused entry at the discretion of the instructor or activity lead. Students arriving halfway through a scheduled class, or later, will be treated as absent for that class.

Electronic Devices: As per RHL policy on Professionalism, Attendance and Behaviour, laptops and other electronic devices (cellphones, tablets, personal technology, etc.) are not permitted in class unless required by the instructor for specific in-class activities or exercises. Cellphones and other personal electronic devices must be turned off during class and placed away from the desktop. Students who fail to abide by the RHL “lids down” policy will be asked to leave the room for the remainder of the class. Research has shown that multi-tasking on laptops in class has negative implications for the learning environment, including reducing student academic performance and the performance of those sitting around them.

ACADEMIC MISCONDUCT

All UBC students are expected to behave as honest and responsible members of an academic community. Failure to follow appropriate policies, principles, rules and guidelines with respect to academic honesty at UBC may result in disciplinary action.

It is the student’s responsibility to review and uphold applicable standards of academic honesty. Instances of academic misconduct, such as cheating, plagiarism, resubmitting the same assignment, impersonating a candidate, or falsifying documents, will be strongly dealt with according to UBC’s procedures for Academic Misconduct. In addition to UBC’s Academic Misconduct procedures, students are responsible for reviewing and abiding by RHL’s policy on Academic Integrity.

STANDARD REFERENCE STYLE

The Robert H. Lee Graduate School uses American Psychological Association (APA) reference style as a standard. Please use this style to cite sources in your work unless directed to use a different style.

LATE ASSIGNMENTS

Late submissions will not be accepted and will receive a zero.