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# COMM 498 — International Business Management

SECTIONS 202 + 203 — JAN.-APR. 2014 — PROF. WERNER ANTWEILER

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## Content

International business differs in important ways from business conducted within national borders. It poses additional challenges for managing trade or investments in foreign countries. It also offers new opportunities in foreign markets. This course provides a framework for analyzing decisions made by firms in an international context. This analytical framework provides the basis for formulating strategies that will enable businesses to succeed in the international business environment.

This course combines material from strategy, international finance, trade theory, trade policy, marketing, human resource management, and other related areas. We emphasize the use of analytical tools and concepts but provide many real-world examples. Course projects help students develop their research skills as well as oral and written communication ability. The course is integrative by design, which leads to some overlap with material taught in other courses.

## Schedule and Location

Classes start on Tuesday January 7 and end on Tuesday April 8. There are no classes during Reading Week (February 17-21). There are 24 lectures in total; three of these are reserved for team presentations (see below). We meet every Tuesday and Thursday in Henry Angus 039 at 14:00-15:30 (section 202) and 15:30-17:00 (section 203).

## Contact Information and Office Hours

More information about the course and the course projects are available on the course web site (see below). Please bookmark the website and check it weekly for announcements regarding readings to be discussed in particular lectures, study questions, and information on marks. If you have specific questions, I can be reached in my office in Henry Angus 275. Please contact me by e-mail ([werner.antweiler@ubc.ca](mailto:werner.antweiler@ubc.ca)) or phone (604-822-8484) to set up an appointment. I hold regular office hours on Friday mornings between 10:00 and 11:20. No appointment is necessary if you wish to see me during this time period.

## Topics

1. Business Across Borders (Introduction)
2. The Gains From Trade
3. Factor Advantages
4. Trade Costs and Contracting
5. International Trade Law
6. Market Adaptation
7. Multinational Formation
8. Internalization
9. Competitive Interactions
10. Foreign Exchange Risk
11. Political Risk
12. International Taxation
13. Expatriate Assignment

## Readings

*Elements of Multinational Strategy* is this course's textbook. The soft-cover version will be sold at the UBC bookstore. PDF e-versions of each chapter can be downloaded from SpringerLink, which is accessible directly on campus or at home via using VPN. Additional reading materials are accessible through the web site; access through the course web site facilitates authentication for copyright purposes. Students are responsible for reading assigned articles *before* each session. Lecture notes are made available through the course web site, usually *after* each session.

## Marks

Your final grade is the weighted average of your midterm exam (25%), final exam (40%), team project (25%), and participation (10%). Your results are accessible through the course web site; please use your campus-wide login (CWL) to authenticate. Regular classroom attendance is required to be admitted to the final exam.

## Participation

I expect students to contribute to class discussions by answering questions that I pose, by raising questions of their own, and by sharing useful information with the class. I would like to establish an environment that encourages broad participation.

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## Course Web Site

<http://strategy.sauder.ubc.ca/antweiler/comm498/>

## Exams

Both midterm and final exam are at least in part common across other sections of this course. The two exams are made up of three parts: a true/false quiz, a numerical exercise, and a set of short-answer questions. The latter will account for at least 40% of the exam. A 75-minute midterm exam will be held in the week before Reading Week, exact time and location to be announced. This exam covers all material in chapters 1-6. Time and location of the final exam will become announced as soon as this information becomes available. Students are required to remain in attendance until the end of the exam period; there will be no advance exams. The final exam is a two-hour exam and is weighted toward Chapters 7-13 but also covers Chapters 1-6. No tutorials or recapitulation sessions will be held before the exams. Midterm and final exams are scheduled months in advance and cannot be rescheduled under any circumstances.

## Course Project

Students will sign up for one of nine teams by January 17. Each team will make an in-class presentation and write a corresponding report. A minimum of three students can request a particular project slot, which are assigned on a first-come-first-served basis in order of the arrival of an e-mail messages that contains the names, e-mail addresses, and student numbers of the prospective team members. The e-mail must also rank the available choices in case a first choice has become unavailable. Team assignments are confirmed on the course web site. Students who fail to sign up to a team by the deadline will be assigned by the instructor to available slots so that the number of team members is balanced across sections.

Each team will evaluate an existing *foreign direct investment project* for one of the nine projects listed below. This year's theme is the transportation sector and will focus on companies in the ship-building, railway manufacturing, and commercial truck manufacturing sectors.

<b>Tuesday March 18: commercial trucks</b>	
A	Mercedes-Benz (Germany) in Brazil
B	Volvo (Sweden) in India
C	Tata (India) in South Korea
<b>Thursday March 20: shipbuilding</b>	
D	Daewoo Shipbuilding (Korea) in Romania
E	STX (Korea) in Finland
F	Samsung Heavy Industries (Korea) in China
<b>Tuesday March 25: trains/trams</b>	
G	Siemens (Germany) in United States
H	Bombardier (Canada) in India
I	Bombardier (Canada) in China

The objective of the presentation is to critically assess the existing operation in the given location. It requires investigating the business rationale that led to the foreign investment, assessing the commercial viability of this business strategy, and analyzing the potential for future expansion (or contraction) of the foreign operation. Good presentations combine research on the company, the target countries (including any partners if applicable), and the industry. Your goal is to evaluate whether or not the FDI location is a good fit for the company and its objectives—and the fit may change over time as conditions change. In all presentations, understanding the key economic drivers of the industry will be crucial.

## Presentation

Each team should prepare a 15-minute presentation (using PPT or PDF) to be delivered in class during one of five presentation days. There is a 5 point penalty for going more than three minutes over the time allowed. Presentation files (PPT, PDF) should be submitted to me by 10am on the day of the presentation so that I can pre-install them onto the classroom computer. At the start of class, the team should also provide the instructor with a handout showing all slides in the presentation (with space for notes). A 5-minute question and answer period follows each presentation. Peer evaluations across teams will form part of the process of assigning grades for the presentations. Members from the eight non-competing teams will evaluate the two competing teams. Presentations may be video-recorded for evaluation purposes.

## Report

Following the presentation, each team then prepares a written report detailing the elements of the project and responding to feedback on the presentation from the class and instructor. The written report should have no more than 8 pages of text (double-spaced, in 12-point Times font, with 1 inch margins on all sides). Point form is not acceptable. When presenting specific facts, provide abbreviated references in parentheses in the main text. A reference page at the end of the paper should list these sources in full as well as any other sources of information used in the paper. Tables and figures must identify the source(s) of the displayed data. Including tables and figures, a report must not exceed twelve pages in total. The team's report is due in print during the last regular class, or by e-mail (PDF files only) no later than 18:00 on the same day. The penalty for a late report is 3 marks off the report grade immediately, and 1 mark for every additional day that the report is late.