

## BUS 321 International Business- Fall 2018

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**Office hours:** MW 1:00-3:00 pm | UR 12:30-1:30 pm

*"LEARNING IS A JOURNEY, not a destination."* Wendy Loretto, Dean of Business  
School, University of Edinburgh, Scotland.

### Catalog Course Description

The course examines integration of economic, political, & cultural aspects of business to reveal the impact of globalization on countries, organizations, & individuals. Students develop a worldview of the marketplace, and gain an understanding of how the global environment affects business functions, ethical issues, social responsibility, investment organizations, and technology. Prerequisite: MGMT 201.

### AUK College of Business and Economics Mission Statement

The College of Business and Economics prepares students through an American liberal arts educational experience combining quality intellectual challenge and ethical professional practice for careers in Kuwait and beyond.

**Course Objectives and Student Learning Outcomes:** This course integrates important theoretical concepts and tools multinational enterprises (MNE) apply in real business situations. It provides an in-depth understanding of how MNE develop strategies to address the challenges they face by different governance, political, and economic structures and cultures. The course provides an enhanced understanding of what determines successes and failures of various sizes MNE in a global economy. Topics include, among others, country differences, foreign investment, regional economic integration, foreign exchange, multinational formation and global business organization, operations, and strategy. Thus student will apply analytical skills and integrate concepts & data across multiple business functions to understand how business succeed.

In the simulation students will gain experience making these decisions in a competitive environment:

- Manage two product versions for customer segments in different countries
- make R&D decisions to keep products up-to-date according to customer preferences
- make marketing decisions to build demand and give ensure access to the products
- make production decisions to supply demand efficiently
- make finance decisions to keep the firm's operations running smoothly
- learn to appreciate the need for all the business functions to work together coherently

By the end of this course, students should be able to:

- Explain the drivers of globalization and international business
- Identify economic, political, legal, and other environmental factors to compare national and international business opportunities.
- Understand why nations trade and the implications for the international firms using the resource-based and institution-based views.
- Assess benefits and costs of FDI for countries and for companies trading internationally.
- Explain how foreign exchange rates affect international businesses.
- Analyze firm resources and capabilities to choose the most appropriate entry mode to fit the business environment in various countries.

- Make decisions integrating the range of business functions in an international context (simulation based).

**Course Objectives and Relation to AACSB Accreditation:** CBE is pursuing AACSB accreditation (<http://www.aacsb.edu/>), which represents the hallmark for excellence in business teaching and research. Out of over 13,000 business degrees-awarding programs around the world, about 5% are accredited by AACSB. Achieving this accreditation entails setting learning goals and subscribing to higher standards in teaching and learning. The CBE adopted nine learning goals which are emphasized in the Bachelor of Business Administration (BBA) curricula. Particular focus in this class is on **critical thinking and decision skills**, which aims at developing students' ability to:

- identify, evaluate, analyze, and solve diverse and unstructured management problems in international settings;
- use, synthesize, and evaluate data / evidence, exercise judgment, and assess risks;
- understand the internal and external environment which promote business success.

Other specific goals, being underscored in this course, include:

- Communication skills
- Ethical behavior and social responsibility
- Global, regional, and multi-cultural aspects of business
- Technology & information literacy
- Professional behavior

The focus of the CBE Program is on:

- Fostering a culture of excellence in business teaching and scholarship
- Developing business in Kuwait and beyond and disseminate socially responsible practices to advance society

**REQUIRED TEXTS:** International Business, 2nd Edition, Mike Peng and Klaus Meyer, (ISBN: 9781473722644).

**PEDAGOGY:** this course presents key theoretical perspectives (resource- and institution-based) to address the complexities and challenges international businesses face. Instructions are designed to engage students through evidence-based text, lectures, group work, simulations, discussions and presentations. It aims to help students develop BBA competencies by applying knowledge acquired in previous courses to develop analytical and decision-making skills. Students are expected to conduct themselves in a professional manner and assume a simulated managerial decision-making role. To this end, this course utilizes the followings:

- **Reading assignments:** are expected to be completed before coming to class since lectures will make more sense if reading is done first and you are more likely to participate and be engaged in discussions and debates. Lectures and assigned readings are complementary and although lectures will often follow the logical sequence of the textbook, you are responsible for assigned reading material in the course outline as lectures cannot always cover all reading material.
- **Class Participation:** participation is measured in terms of attendance, meaningful participation as a member in your own respective group and performance in pop quizzes.
- **Exams:** There will be 2 Mid-terms and a Final. Midterms are given on the scheduled dates announced in the syllabus/class while the Final is according to AUK Final Exam Schedule.
- **Group work:** is a requirement in this course. Group ranges from 3 to 6 members depending on the size of class. Each group is expected to produce a Group Contract, make three Discussion Question (DQ) presentations and submit a Group Project. Details and guidelines on these activities are included in the **Syllabus Appendix** below. There

is penalty for opting not to work in group or failure to do so. The rationale is simple. Companies prefer managers who can cooperate as part of a team. As a business manager, you may be able to keep your job if you refuse to work as part of a team, but you are less valuable to the company and will have difficulty moving up the ladder. In this class, we apply this principle by allowing the option of doing the group work alone, but you automatically lose 25% of the points for not fulfilling the group work requirement.

- **Capsim simulation:** every student is required to purchase access to the simulation. Introduction to the core functions used in the simulation (R&D, marketing, production, finance) can be found here: <http://www.capsim.com/resources/core-videos/#/capstone>. Information on how to access will be provided in week2 after we have formed groups. Capsim offers extensive documentation and tutorials which allow students to cover the basics of the various business functions and become familiar with analysis and decisions in the simulation. We will spend time in class, on different occasions, to discuss individual decisions as part of formulating short and long terms strategies. Also, early in the term I will devote extra sessions outside of class time for additional help and for analysis of Round Reports. These extra sessions are voluntary, and even if they don't like to attend extra sessions.

**Additional resources:**

DOING BUSINESS Measuring Business

Regulations<http://www.doingbusiness.org/data/exploreeconomies/kuwait>

Freedom scoreby country

<http://www.economist.com/news/essays/21596796-democracy-was-most-successful-political-idea-20th-century-why-has-it-run-trouble-and-what-can-be-do>

(Also check course homepage in Moodle)

**EVALUATION & GRADING:** Students' performance is evaluated using the following criteria:

Group	Group contract	04
	Simulation competition (8 rounds @ 3 each)	24
	DQ1 presentation	25
	<u>DQ2 presentation</u>	<u>25</u>
	Subtotal group:	78
Individual	Simulation log (4) and peer reports (4 @ 2)	12
	Two simulation analysis	36
	Simulation tutorial & practice rounds	14
	<u>3 Exams (count highest 2 @ 80 each)</u>	<u>160</u>
	Subtotal individual:	222
Total points		300

Letter of grade is assigned using the following scale:

≥ 90	80-89	70-79	60-69	< 60
A to A-	B+ to B-	C+ to C-	D+ to D-	F

**CLASS POLICIES:**

- **Email communication protocol:** all email communications must be generated using your AUK account. Emails in violation of this policy will not be acknowledged. Under all circumstances, email can in no way be used to discuss or communicate grades. Grade requests via email will not be answered or acknowledged.
- **Attendance:** I will regularly take attendance at the end of class. AUK requires attendance and allows a maximum of 15% absences. In this class, 'more than 15%' is 5 classes. I will reward attendance with **extra credit bonus points**.

if you miss 0 classes	6 EC points
if you miss 1 class	5 EC points
if you miss 2 classes	4 EC points
if you miss 3 classes	3 EC points
if you miss 4 classes	no EC

- **Free-pass policy:** designed to help you deal with an emergency which could result in missing a class. Each student is entitled to 2-free passes.
- **Make-up exams & extra credit policy:** No make-up exams will be given; and no additional work will be assigned to increase one's grade.
- **Orderly Conduct:** disruptive or disorderly conduct will not be tolerated. Any activities, behaviors or attitudes that hinder the ability of the instructor to carry out classroom duties or create distraction to fellow classmates are deemed disruptive. This includes, but not limited to: leaving the classroom in the middle of lecture (get water, use the facilities or answer the phone), use smart device during class. Disorderly conduct could result in loss/reduction course grade leading all the way to a failing grade.
- **Group work:** Companies retain managers who can work as part of a team. Thus, group work is a requirement in this course. In a company, you may not get fired, but you are less valuable and will have a difficult time advancing if you will not work effectively in teams. In this class, the option of doing the group work alone is available but it comes with automatic loss of 25% of the points for not fulfilling the group work requirement.
- **Peer evaluations:** are for reporting performance of individual group members. For the simulation, peer evaluation is due 4 times, after rounds 2, 4, 6, & 8. Also, a peer evaluation is due each of the 2 Discussion Question presentations.
- **No free riding:** please assess your team members honestly. If they did their share of the work, you should say so. If they did not, you should also say so. Peer evaluation is graded activity one that fails to report poor performance loses the grade. I do have a fairly good idea about who is participating and who is not, so please be accurate and objective. Keep in mind that ethical behavior is part of good business, and is one of CBE's learning goals.
- **Postponement policy:** late assignments and postponements make it difficult for classmates to do some of their work, and reduce instructors' ability to get feedback to students quickly. In a job, it usually shows poor professional behavior. Any group can postpone a presentation or paper, but they will **lose 20% of the points**, and will need to present / submit in the next available class period.

**Academic Integrity Policy:** Please review the Student Handbook to make sure you understand issues about honesty in academic work. Your grade must be based on what you do in the class; it cannot be based on what someone else did, whether it comes from copying a website, purchasing a paper or getting someone to write it for you, or copying another student's work. (**Student Code of Conduct** [http://www.auk.edu.kw/about\\_auk/Student Code of Conduct11OCT10.pdf](http://www.auk.edu.kw/about_auk/Student Code of Conduct11OCT10.pdf))

**Disability Accommodation:** AUK is committed to providing equal opportunity to all students including those with disabilities. If you have a disability you are advised to immediately contact Dr. Huda Shaaban (2224 8399 ex. 3235; [hshaaban@auk.edu.kw](mailto:hshaaban@auk.edu.kw)), Assistant Director for Disability Services at the Student Counseling Center, to determine eligibility for disability-related accommodations. Registration with the Students Counseling Center is required for ALL disability-related accommodations. Accommodations cannot be applied retroactively in the event eligibility is determined later in the semester.

**Disclaimer:** Please note that contents of this syllabus may be subject to change. In the event changes are made to this syllabus, you will be notified in class. It is your responsibility to stay current of all changes announced in class.

## Appendix

### 1. Guidelines for Group Work

- 'Group work' means the whole team cooperates on assignments. It does **not** mean that the team agrees on one member to do the work. This is just individual work, with other group members getting a free ride, and is not acceptable.
- Nor does group work mean each group member does one little part and little individual reports are put together. That is just individual work, stuck together, and that does not constitute group work. Group work is a coherent whole to which all team members have contributed.
- Grades on group work are for the overall work, not individualized for each group member. As a manager you cannot tell your superiors "the work/report might be bad, but it's not my fault, it is all because of other team members." If the work is poor, everyone on the team shares responsibility.
- If you believe some team members are not contributing, you are responsible for reporting it to me on the peer evaluation. Team members may get fewer points if the group reports that someone did not contribute much to the report. If they did nothing, they will get no points. It is important to notify me early, so I can warn members who may not be doing their share. Companies are not very competitive if they must carry free-rider employees who do not do much work. Employees who do consistently perform well need to make their superiors aware if someone is trying to get paid without doing the work. Whatever their own individual capability, employees who cover up free-riding are not doing their job well.
- **Peer evaluation** is an individual for reporting of each group member performance. It is confidential, and I will not tell anyone what specific students reported. It should be submitted individually directly to me and immediately after each group assignment (simulation Rounds 2,4,6,8 and DQ). You are expected to act objectively and professionally in evaluating each team member's contribution (or lack of) to your group work.
- If you do not turn it in you will lose the points. If you have not informed me on peer evaluations during simulation and after each DQ that the group has had difficulty getting some member to do the work, it will be hard to convince me later that this is the reason group work scores are low. Performance evaluations are part of standard HR practice. They help spot poor performance so that employees can be warned that they need to improve.
- **Firing a group member:** In case of severe problems, groups can fire a group member by **majority** vote, and notify me. As in a company, you need to document attempts to get the group member to contribute before the drastic action of firing. Companies can be liable if employment decisions are arbitrary, not based on actual performance. Peer evaluations are essential documentation; and so do emails, a log of phone calls or face-to-face attempts to get cooperation in doing the work. If you have not informed me on peer evaluations of a problem so that I can warn the group member of the need to improve, you have very weak grounds for firing a group member.
- A fired group member can appeal to me if they wish, in which case I will investigate by asking for assessment of the situation from each member privately, and by examining the documentation to see if the group's assessments are accurate. If the evidence suggests that the fired person was doing their fair share

of the work, and making an effort to cooperate, but the group simply has personality conflicts, I will generally make the group keep the group member. In a company, employees must learn to get along with each other, even if the relationship is not very close. Note, however, that the 'peer evaluation' asks not only about contribution to the assignment, but also about professionalism in working in the team.

- I will generally uphold the firing if the reason is that the fired member was not doing their fair share of the work, or refusing to cooperate in the give-and-take of group dynamics as groups work out what to do and how to do it. A fired member can complete the group work as an individual, subject to the automatic 25% loss of points for not fulfilling the group work requirement.

## 2. Guidelines for Group Contract & Country Selection

- The first assignment is forming a group, which will be finalized on the first class day after drop/add. Each group should have 5 students. If everyone registered for the class is accounted for, and all groups are similar size, we won't need to adjust groups. If there are problems, smaller groups might have a member added. Very small groups will be merged or broken up and members distributed across groups. If the group is too large, it is also likely to be broken up.
- On Monday Feb 5th, we will take part of class to make sure everyone is in a group and each group has submitted the list of members. I will choose the group number by random number generator, unless any group prefers to volunteer to be first. The group number will determine order of presentations during the term.
- Each group will **choose 2 countries** for which the group will become expert over the term. One country must be in Middle East North Africa (MENA), but **not** GCC. One country must be outside MENA preferably a developed one. There cannot be any overlap of countries within a section. The choices are first come, first serve. The group that notifies me by email first gets the countries they asked for. If you pick a country that is already taken, I will ask you to pick another country. The country choice is due by the time the contract is turned in, but can be made earlier. I need written indication of the group's two countries.
- The group's **contract is due by Sunday Sep23rd** in class, in paper copy with signatures of each group member. Each group will decide its own norms and writes its own contract. All group members will sign the contract and turn in a copy of the signed contract to me. The peer evaluations after each DQ assesses performance based on the Group's contract. Typically, a Contract addresses the following issues: the process for how group decisions are made, the process for how work is allocated, the nature of group interaction (virtual, F2F, etc.), attendance / participation in group meetings, fair share of work, quality & quantity, deadlines for submitting work to the group, consolidation / editing procedures, what if members violate the contract.
- A good contract is usually about 2-3 pages with enough detail so it is a good guide with crisp expectations. Very short contract tend to be vague while long are usually excessively legalistic. Contract should have specific clause about what the group intends, peer evaluations, reporting free riding or poor cooperation.

### **3. Guidelines for Discussion Question Presentation**

- Each group will be requested to briefly discuss how certain aspects of institutions or resources (e.g. Informal Institutions, Ch3 in the text) could have an impact on how businesses operate in a specific industry, which I will assign to each group.
- The group will discuss the impact of the informal institutions on how the industry works in the group's two countries (each group selects) and show an example of companies in each country to illustrate some of your key issues about the impacts. The group should look at current competitiveness and at recent trends in the industry in each country and assess whether it is becoming more competitive, or less, and how do the informal institutions there affect competitiveness trends.
- The group then consider how a Kuwaiti business (I select for each group) can enter the two countries (or increase market share if the business is already there), and how will it need to adapt in accordance with the informal institutions in the group's two countries compared to how it does business in Kuwait.
- Each group will get 15 minutes to make to make a class presentation at the date set and according to the group's order. Group member must be present and take part in the presentation in order for grade to be awarded, no exception to this rule. The group must email me a copy of the presentation ahead of class and hand me a hard copy before the presentation. The presentation should indicate a group working in harmony and cohesion. Reading from word-for-word from the screen or paper is not acceptable. Group members are expected to know the subject matter well, encouraged to practice and rehearse, and be prepared to answer questions.
- An individual peer evaluation, reporting on each group member performance in the DQ, is due at the end of the presentation. It is confidential and it should be submitted individually directly to me. It is imperative to be honest, objective and professional about evaluating what team members contributed or did not contribute to the work.

**BUS321-01 Course Outline (tentative)**

<b>Week</b>	<b>Reading</b>	<b>Notes</b>
<i>Week1</i> Sep 9-13	Ch1 Globalizing Business <b>Sep 11 (Tue): Islamic New Year – University holiday</b>	
<i>Week2</i> Sep 16-20	Ch2 Formal Institutions: Political, Economic and Legal Systems	
<i>Week3</i> Sep 23-27	Ch3 Informal Institutions: Culture, Religion and Languages	
<i>Week4</i> Sep 20-Oct 4	Ch4 Firms Resources: Competitiveness and Growth	
<i>Week5</i> Oct 7-11	Ch5 Trading Internationally	
<i>Week 6</i> Oct 14-18	Ch6 Investing Abroad Directly DQ1 presentations	
<i>Week7</i> Oct 21-25	DQ1 presentations & Midterm1	
<i>Week8</i> Oct 28-Nov 1	Ch7 Exchange Rates Simulation Analysis	AUK Midterms
<i>Week9</i> Nov 4-8	Ch8 European Integration Regional Integration - GCC	
<i>Week10</i> Nov 11-15	Ch9 Global Integration & multilateral organizations	
<i>Week11</i> Nov 18-22	Ch10 Socially Responsible Business <b>Nov 22 (Thu): Prophet's Birthday – University holiday</b>	
<i>Week12</i> Nov 25-29	Simulation Analysis Ch12 Foreign Entry Strategies	
<i>Week13</i> Dec 2-6	Ch13 Competitive Dynamics	
<i>Week 14</i> Dec 9-13	Ch14 Global Strategies and Acquisitions DQ2 presentations	
<i>Week 15</i> Dec 16-20	DQ2 presentations & Midterm2	
<i>Week 16</i> Dec 23-27	<b>Winter Break</b>	
<i>Week 17</i> Dec 30-Jan 3	<b>Winter Break</b>	
<i>Week 18</i> Jan 6-10	Ch16 People in the MNE (last day of class Jan 6 <sup>th</sup> )	
Jan 8-13	<b>Final Exam</b> (check AUK Final Exam schedule)	



**Acknowledgment**

Instructor: Dr. Ali Aljamal

Students enrolled in this class are required to complete this form and return it to the instructor no later than Sunday Sep 16, 2018.

I, (Student's name) \_\_\_\_\_, enrolled in section \_\_\_\_\_ have received a copy of the class syllabus and I understand requirements and policies stated in it. I also acknowledge awareness of my rights and responsibilities as defined in the STUDENT CODE OF CONDUCT.

\_\_\_\_\_  
Student's Signature

\_\_\_\_\_  
Date

Consent to Release Class Scores (Optional)

Students enrolled in this class have the option of viewing their scores and running grades in a spreadsheet posted to the course's homepage in **Moodle**. Scores are listed under a unique 5-digit identifier which can be a mix of letters and numbers, excluding initials and student ID, but cannot in any way be suggesting or revealing of identity. Students can opt out of this service any time by submitting a written request to the instructor. Each participating student takes full responsibility for maintaining the anonymity of his/her identifier.

I, \_\_\_\_\_, enrolled in this class do hereby consent to releasing  
(print your full name)

my scores in a spreadsheet posted to the course's homepage in **Moodle** under this identifier

\_\_\_\_\_. I understand that I will take full responsibility for maintaining confidentiality  
(5-digit max)

Of this identifier and that I will keep a copy of this consent form for my record.

\_\_\_\_\_  
Student Signature

\_\_\_\_\_  
Date