

### COURSE INFORMATION

Course title:	The International Trading Environment		
Course code:	BASM530	Credits:	1.5
Session, term, period:	2019W1, Period 6	Class location:	HA335
Section(s):	001	Class times:	Tuesday/Thursday 10:00-12:00
Course duration:	Sept. 3 – Oct. 12, 2019	Pre-requisites:	n/a
Division:	Strategy & Business	Co-requisites:	n/a
	Economics		
Program:	Full-time MBA		

### INSTRUCTOR INFORMATION

Instructor:	Dr. Werner Antweiler		
Phone:	604-822-8484	Office location:	HA275
Email:	werner.antweiler@ubc.ca	Office hours:	By appointment

### 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.

#### Course Format

In-class time will be spent on lectures and discussions. Students will do readings outside of the classroom. There will also be group-based essay project to be completed outside of class time.

### 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.*

## ASSESSMENTS

### Summary

<u>Component</u>	<u>Weight</u>
Export Plan	40%
- own team's written report 20%	
- own team's presentation 15%	
- evaluation of other team's report 5%	
Final exam	40%
Class participation	<u>20%</u>
Total	<u>100%</u>

### Details of Assessments

#### 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 session 10 (and session 9 if enrolment numbers require extra presentation slots) 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 on (T.B.A.). 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.

### **LEARNING MATERIALS**

Recommended textbook: *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. Material will be posted on UBC's Canvas platform.

### **COURSE-SPECIFIC POLICIES AND RESOURCES**

#### *Missed or late assignments, and regrading of assessments*

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

#### *Academic Concessions*

If extenuating circumstances arise, please contact the RHL Graduate School program office as early as reasonably possible, and submit an [Academic Concession Request & Declaration Form](https://webforms.sauder.ubc.ca/academic-concession-rhlee) <https://webforms.sauder.ubc.ca/academic-concession-rhlee>. If an academic concession is granted during the course, the student will be provided options by RHL, or by the instructor in consultation with RHL, per [UBC's policy on Academic Concession](#).

#### *Other Course Policies and Resources*

- Policies on assessment due prior to students joining the course (i.e., during the add/drop period).

### **POLICIES APPLICABLE TO COURSES IN THE ROBERT H. LEE GRADUATE SCHOOL**

#### *Attendance*

Excepting extenuating circumstances, students are expected to attend 100% of their scheduled class hours. Absent students limit their own academic potential, and that of their classmates, and cause unnecessary disruption to the learning environment. Students missing more than 20% of the total scheduled class hours for a course (including classes held during the add/drop period) without having

received an academic concession will be withdrawn from that course. Withdrawals, depending on timing, could result in a “W” or an “F” standing on the transcript.

#### *Punctuality*

Students are expected to arrive for classes and activities on time and fully prepared to engage. Late arrivals may be refused entry at the discretion of the instructor or activity lead. Students arriving later than halfway through a scheduled class will be treated as absent for that class.

#### *Electronic Devices*

Devices such as laptops, tablets, and cell phones are not permitted to be used in class unless directed by the instructor for in-class activities. Students who do not follow the School’s policy in this regard may be required to leave the room for the remainder of the class, so that they do not distract others. Research shows that students’ use of laptops in class has negative implications for the learning environment, including reducing their own grades and the grades of those sitting around them.

#### *Citation Style*

Please use the American Psychological Association (APA) reference style to cite your sources.

Details of the above policies and other RHL Policies are available at:

<http://www.calendar.ubc.ca/vancouver/index.cfm?tree=12,199,506,1625>

### UNIVERSITY POLICIES AND RESOURCES

UBC provides resources to support student learning and to maintain healthy lifestyles but recognizes that sometimes crises arise and so there are additional resources to access including those for survivors of sexual violence. UBC values respect for the person and ideas of all members of the academic community. Harassment and discrimination are not tolerated nor is suppression of academic freedom. UBC provides appropriate accommodation for students with disabilities and for religious observances. UBC values academic honesty and students are expected to acknowledge the ideas generated by others and to uphold the highest academic standards in all of their actions. Details of the policies and how to access support are available on the UBC Senate website at <https://senate.ubc.ca/policies-resources-support-student-success>.

#### *Academic Integrity*

The academic enterprise is founded on honesty, civility, and integrity. As members of this enterprise, all students are expected to know, understand, and follow the codes of conduct regarding academic integrity. At the most basic level, this means submitting only original work done by you and acknowledging all sources of information or ideas and attributing them to others as required. This also means you should not cheat, copy, or mislead others about what is your work. Violations of academic integrity (i.e., misconduct) lead to the breakdown of the academic enterprise, and therefore serious consequences arise and harsh sanctions are imposed. For example, incidences of plagiarism or cheating may result in a mark of zero on the assignment or exam and more serious consequences may apply if the matter is referred to the President’s Advisory Committee on Student Discipline. Careful records are kept in order to monitor and prevent recurrences.

### COPYRIGHT

All materials of this course (course handouts, lecture slides, assessments, course readings, etc.) are the intellectual property of the instructor or licensed to be used in this course by the copyright owner. Redistribution of these materials by any means without permission of the copyright holder(s)

constitutes a breach of copyright and may lead to academic discipline. Audio or video recording of classes are not permitted without the prior approval of the Instructor.]

### ACKNOWLEDGEMENT

UBC's Point Grey Campus is located on the traditional, ancestral, and unceded territory of the xwməθkwəyəm (Musqueam) people, who for millennia have passed on their culture, history, and traditions from one generation to the next on this site.

### COURSE SCHEDULE

(Subject to change with class consultation)

Class#	CLASS TOPICS
Sep. 3	Session 1: Canada in the Global Economy: Major Trends and Challenges
Sep. 5	Session 2: Comparative Advantage and Location Choice
Sep. 10	Session 3: Gaining and Defending Competitiveness; Country Risk Management
Sep. 12	Session 4: Special Topics in Focus: Global Energy Markets and Climate Change
Sep. 17	Session 5: Import-Export Logistics and Pricing
Sep. 19	Session 6: Exchange Rates and Managing Exchange Rate Risk
Sep. 24	Session 7: International Trade Law & Policy; Trade Wars & Protectionism
Sep. 26	Session 8: International Marketing
Oct. 1	Session 9: Major Case Discussion / Team Presentations (if needed)
Oct. 3	Session 10: Team Presentations
T.B.A.	Final Exam (2 hours)

It is possible that one session may be replaced by a guest lecture. Topics will be adjusted accordingly.

Enrolment figures will determine the number of team presentations. The aim is to have at least 20-minute slots for each presentation, which allows time for discussions. The course schedule can accommodate 5–7 teams.