

SYLLABUS, ECO 6716

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Required Texts

We are using three books: Gerber, *International Economics* 6e, Cavusgil, Knight, Reisenberger, *International Business* 3e, and Cruse, *Lies, Bribes, & Peril*, 1e. Now I think it is a reasonable question why we use three books. Perhaps it is because I want you to hit a bonanza when you have three books to sell after the class is over. Alternatively, it is because no one book had what I want to cover. Let's assume the last answer is correct. The first book by Gerber is an economics textbook. Obviously I am prone to like the book because I am an economist. But for this course I am pretending that I am not an economist (at least for most of the class) because I do not think you need or even want a course in economics. However I do want to cover some material that will give us a strong foundation for understanding international trade. I think this sort of background is very useful in helping categorize and shape our thinking about international business. The second book by Cavusgil, *et. al.*, I like because it covers a lot of information specifically about international business. I lost track of how many international business books I looked at—it had to be at least 15. Most I did not like at all. But there was a lot I liked about this book. Is it perfect? Of course not. But I think it is the best of the lot. The last book by Cruse I read on my own a year ago because it looked interesting. I thought that the book presented a real “hands-on” view of international business, so I was really eager to use it for our class. I don't like the comments in the book about “You will never hear this in an MBA class,” both because they are now false (!!) but also because I think the author does miss some of the forest for the trees he describes. But those trees are really interesting. I think this is a book you will read for pleasure, just as I did.

Class Goal

My over-riding objective for this class is to talk about international economics *and* international business. I am not interested in teaching a strictly economics class because that would be an absolutely useless class—well, maybe not *absolutely* useless but you have already had several economics classes already!—for you. And while I am an economist and while I do bring an economist's perspective as well as an economist's affection for abstract mathematical models to the table, I am going to be talking about a

lot of stuff that is not economic in nature because I think this material will be (potentially) useful to you.

As I said above, my over-riding goal is to make this class useful. I am highly interested in whether or not I succeeded in attaining this goal. After the class is over and the grades submitted, if you want to email me your thoughts and suggestions, I can tell you they will be gratefully received. By the way, note that I said “After the class is over.” I do not want you to fear retribution for comments full of criticism comments and I do not want you to hope for a reward for comments full of praise.

Class Web Page

Plan on becoming acquainted with the class web page. In fact, plan on not only becoming acquainted, plan on it becoming almost your best friend! To get to the class web page, go to <http://lss.at.ufl.edu> and login to E-Learning with your Gatorlink username and password.

Class Web Page Problems

Will everything work out correctly so that you get to the class web page with no problems? Perhaps. Perhaps also I shall exercise and lose 15 pounds this semester, as well as eat a plethora of healthy leafy green vegetables. Now, you can't do anything about my exercising or dining habits. But if you encounter an error in trying to access either the class web page or the lectures, here is a valuable link for you:

http://notes.cba.ufl.edu/cbahelp.nsf/request_grad?OpenForm

<http://warrington.ufl.edu/itsp/techservices/students.asp>

What is this link? It is a link to the TAC...aka “Technology Assistance Center.” I cannot help with any of the technical issues. But the computer technicians can help—and the feedback I get from the students is that they are a *lot* of help! So, if you have a problem, DO NOT email me. Every semester I have students email me about a problem. All they are doing is to 1) admit that they haven't bothered to read this syllabus, which surely does not endear them to me, and 2) delay resolution of their problem because I can do nothing. So, rather than email me, use the link I've given you to ask the people who know what to do for help. Indeed, I've bookmarked the link—I suggest you do likewise! In other words: SAVE THIS LINK. IT IS USEFUL!!

Material Covered in Class

We will study a variety of topics with a variety of reading. Sometimes the reading will be longer and sometimes shorter; sometimes the reading will be more difficult and sometimes easier; and, sometimes the reading will be more important and

sometimes less. I don't know if it's a good sign or not, but the first set readings are a bit longer and probably a bit more difficult. For what it's worth, I also look at the first lecture and the first readings as less important than the average because they provide the economics background I think is necessary. I have divided the readings into 4 modules based on the material covered in the session. Look at the last page for the schedule. You'll notice that one of the sessions has an entire book assigned. You might bemoan that fact. But this book is fun and it is easy reading. You will probably really like that book. Of course, I also think you will be delighted by the economics book, so perhaps I am not an outstanding judge of what your preferences...

Incidentally, often I will be talking in the lectures about material not in the books. I think the books give a nice coverage of the subject but frequently I want to go beyond what is there. For instance, in one of weekends (probably meetings 4 and 5) I expect to cover banking and finance in an Islamic country. You will not find that topic in the books. But I think it is interesting, potentially very interesting if you ever are doing business in an Islamic nation, and certainly shows the impact of culture.

The last page has the tentative schedule for the class. Last year I got behind and never caught up. I felt bad about that. The class did not.

Guest Speaker

I am working on arranging for a guest speaker for the class. I have two possibilities and it will be great if either one can make the class. I will keep you appraised as the semester progresses. But in the meanwhile you can join with me by hoping that at least one can attend.

Assignments

Your grade will be based on two factors: a Group Project and a Final Exam. This is your last term in the program. So I am trying to accomplish two goals with the group project. The first goal is to not kill you with the project. I presume it would be really bad form to have a bunch of my students dropping dead from the workload in their very last semester. The second goal, however, is to allow you to really make use of what you have learned in the program. So, let me describe what the projects entail:

Group Project

Your team will be responsible for creating a business plan. What I have in mind is that you all work for the same company and your superiors in this company have assigned your group as a team to brainstorm a new international project. They want a report from your group suggesting a nation and a product or products that your company can profitably sell in this nation. This assignment is total "blue sky." You can

select an actual business or make one up. You have to use your creativity and what you have learned in your courses to convince me that your plan will be profitable. In order to judge whether your proposal will be profitable, you must give me some economic data and background for the country. You have to tell me how you plan to market and produce the product, that is, establish a partnership with a local firm or whatever. (If you do plan on establishing a partnership, you do not need to research which firm you want as your partner, though if you do that would be good.) Tell me why you selected this method of marketing/production. You could present options about how you might market/produce the product and tell me what might lead you to favor one over the others. Presumably you may have some ideas of how to advertise the product—what are they? You might estimate some cost data and the price range for which you will sell the product. You could include a spreadsheet...or not. It's your choice. I think that Chapters 14, 15, and 16 in Cavusgil *et. al.* would be *very* valuable chapters to read before plunging into this project. When this report is due, the class and hence your entire MBA program will be rapidly drawing to a close. I certainly do *not* want your last memories of the program to be a series of 3 AM nights spent hard at work researching a project. So keep this report to, say 15 to 20 pages long. That way you will not have memories of being up until 3 AM creating the report nor will I have memories of being up until 3 AM grading it. Which reminds me, I also expect the report will not be written in a tiny, 4 point font with incredibly small margins. ☺

Grading of the Project

The grading scale for the project will be 1 to 25. But I really plan on grading most projects 18 or higher. (If anyone gets anything lower than a 12, I grieve for the trees and/or electrons that were used to create the project.) The grade will be based on the answers and on the writing of the report. Speaking with business people, I have come to the conclusion that clear and grammatically correct writing is highly valued by them. Hence it shall be equally highly valued by me. The group project is due by the weekend indicated in the schedule. I will accept late projects but the score will be lowered by 3 points per day, down to a minimum of 0. (That is, I am not so cruel as to give any group a -5 as a grade....) Please hand in two copies of the report on Saturday or Sunday of the weekend in which they are due. I have asked another instructor (sadly, Not Prof. Rossi) here at UF to help me grade these projects. She and I will grade them separately and will separately provide some feedback. Then she and I will meet to discuss out assessments of the projects. From this meeting I will determine the final grade.

Final Exam

A final exam will be given on the last meeting. It will consist of multiple choice, short answer, and longer answer questions. Is the final going to a challenging endeavor, the last 50 foot hurdle you must clear before you graduate? If it is, both you and I will

be surprised! The final exam will be 1 hour and, aside from congratulations, will be the only thing we do on the last day. The final will be worth 25 points.

Grades

In summary here are the possible points:

Group projects	25 points
Final exam	<u>25 points</u>
Total	50 points

I wish I was completely unconstrained in my grading scale but the MBA program applies a crucial and important limitation: The average grade in the class can be no higher than a 3.50, which means the average grade must be between an A- and a B+. So, keeping that in mind, I plan to assign the top 25% of the class A's, the second 25% A-'s, the third 25 B+'s, and the bottom 25% B's. If someone does significantly poorer than the remainder of the class, I *will* give lower grades, such as a C. Of course, in that case, I can boost other students' grades. So, let me ask: Does anyone want to volunteer to get a low grade so that some other well deserving students can have their grades boosted?

Course Schedule

GEB 6930

General topic	Readings/Chapters	Project
Meeting 1 (January 29) International Trade Background	Gerber: Chapters 3, 4, 5, 6 Cavusgil: Chapter 8	
Meetings 2 and 3 (February 18, 19) Institutions and Laws	Gerber: Chapter 2 Cavusgil: Chapters 7, 11	
Meetings 4 and 5 (March 11, 12) International Finance	Cavusgil: Chapters 2, 4, 5 Cruse: Entire book	
Meetings 6 and 7 (April 1, 2) Culture and Ethics	Cavusgil: Chapter 9 Gerber: Chapters 13, 14, 17	Project due
Meeting 8 (April 22)	Exam	