



# Rotman Commerce UNIVERSITY OF TORONTO

## Course Outline

### RSM 480H1S

Business in a Global Economy

Winter 2016

L0101 / Wednesday 2:00 – 4:00 p.m. / W0 35

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### Course Scope and Mission

This course provides a systematic understanding of the main issues firms face when making decisions in a global environment. In order to achieve this goal a set of tools and concepts will be developed. Those will be then applied to the analysis of the forces driving toward the integration of national business activities, and of the forces that maintain the differences between countries and regions. Examples of important real word questions that firms face when operating in the international environment are: a) *Where is the best location in the world for my firm?* b) *How does the World Trade Organization (WTO) work and can it affect my firm?* c) *When do currencies collapse and how to be protected from that?* d) *Should my firm go multinational?* e) *Should my firm off-shore its production?*

### Course Prerequisites

RSM333H1

### Required Readings

Required readings will be posted on the course website in Blackboard. There is no required textbook, although Pugel "International Economics" is a recommended particularly for the topics on International Trade and Exchange Rate theories.

### Evaluation and Grades

Grades are a measure of the performance of a student in individual courses. Each student shall be judged on the basis of how well he or she has command of the course materials.

<u>Work</u>		<u>Due Date</u>
Mid Term Exam	30%	February 24
Group Project Paper	25%	March 30
Final Exam	45%	During the final exam period

## **COURSE FORMAT AND EXPECTATIONS**

Normally students will be required to submit their group projects to Turnitin.com for a review of textual similarity and detection of possible plagiarism. In doing so, students will allow their essays to be included as source documents in the Turnitin.com reference database, where they will be used solely for the purpose of detecting plagiarism. The terms that apply to the university's use of the Turnitin.com service are described on the Turnitin.com website.

Please note that clear, concise, and correct writing will be considered in the evaluation of Group Project. That is, you may lose points for writing that impedes communication: poor organization, weak paragraph development, excessive wordiness, hard-to-follow sentence structure, spelling mistakes and grammatical errors. Students who require additional support and/or tutoring with respect to their writing skills are encouraged to visit the Academic Success Centre ([www.asc.utoronto.ca](http://www.asc.utoronto.ca)) or one of the College Writing Centres ([www.writing.utoronto.ca/writing-centres](http://www.writing.utoronto.ca/writing-centres)). These centres are teaching facilities – not editing services, where trained staff can assist students in developing their academic writing skills. There is no charge for the instruction and support.

### **The Group Project and In-Class Presentations**

Students are required to prepare a paper that addresses an issue in international economics with relevance to international business. The theme must primarily involve some aspect of the international economic environment of business - markets and structure, institutions, national and multilateral policies *et cetera*. It is entirely appropriate to deal with international economic issues from the perspective of one industry or even one company. If you are choosing a multinational firm, the analysis should focus on outlining the firm's value chain, identifying which link of the value chain is the firm's core competence/competitive advantage, and how it organizes its value chain. If you are choosing an industry within a country, identify this country's comparative advantage how this relates to the industry in question; you may also pick a particular firm in that industry.

A proposal (not to exceed 2-3 pages) for the term paper or project must be submitted on **February 10**; please email me your proposals. The proposal ought to identify the international economic issue to be addressed, the perspective to be established, the theoretical framework or analytic methods to be applied as well as potential sources of data, information and/or key references. Students may work in groups of two if they prefer.

The term paper is due **March 30** at the beginning of class. The length is approximately 20 pages, double spaced text, which includes figures, tables, or other references. Please, no requests for extensions beyond that date. Some or all group projects (depending on the class size) will be presented the main points of students' papers will be presented during the last class on **April 6**. Papers chosen for in-class presentation will be selected in light of relevance to the themes of the course as well as diversity in the set of presentations. Key points, perspectives and arguments developed in the in-class presentations are "testable" on the final examination.

#### Group Work:

Learning to work together in teams is an important aspect of your education and preparation for your future careers. That said, project-based teamwork is often new to students and you are therefore reminded of the following expectations with respect to behaviour and contributions to your team project.

1. Read the document entitled, "Working in Teams: Guidelines for Rotman Commerce Students" which is available on the RC portal under the Academic Services tab.

2. When working in a team, Rotman Commerce students are expected to:

- Treat other members with courtesy and respect;
- Honour the ground rules established by the team;
- Contribute substantially and proportionally to the final project;
- Ensure enough familiarity with the entire contents of the group project/assignment so as to be able to sign off on it as original work;
- Meet the project timeline as established by the team.

3. Resolving conflicts:

Conflicts are part of the team's process of learning how to work together effectively and when handled well can generate creativity and bring-multiple perspectives to the solution.

Student teams are collectively expected to work through their misunderstandings as soon as they arise (and prior to submission of the final project). In cases where teams are unable to arrive at a solution that works for all members, the team must meet with the Rotman Commerce Team Coach\*\* as soon as possible. The Coach will listen to the team and help develop options for improving the team process. All members of the project team must commit to, and, utilize their action plans.

\*\* \*\* For an appointment with a Rotman Commerce Team Coach, please contact Elaine Zapotoczny at [elaine@nikoletaandassociates.com](mailto:elaine@nikoletaandassociates.com). Elaine is highly skilled at facilitating team dynamics and collaboration. Note that the Team Coach's role is to provide guidance, support and advice on team matters – not to formally evaluate or assess teamwork for academic purposes.

## Weekly Schedule

Session	Day	Topic	Readings
1	Jan. 13	Introduction: The Global Economy and the Firm	Portal Lecture Notes. Canada's State of Trade 2012, DFAIT. International Trade Statistics 2012, WTO.
2	Jan. 20	Theories of International Trade	Portal Lecture Notes. <i>The elusive link between trade and wage inequality,</i> Krugman, Economist, April 2009.
3	Jan. 27	Theories of International Trade (cont.)	
4	Feb. 3	Trade Policies, NAFTA, and the WTO	Portal Lecture Notes. <i>Globalisation and Trade,</i> The Economist, March 2009.
5	Feb. 10	Outsourcing: China, the Global Supply Chain and the Make vs. Buy Decision	Portal Lecture Notes. <i>Global Supply Chains: An Exploratory Survey of Management Practice and Challenges,</i> Research paper, global production.com.
6	Feb. 24	<b>Midterm Test</b>	
7	March 2	Foreign Direct Investment: Factors, International Taxation, and Competition Policy in Canada	Portal Lecture Notes. <i>Modeling Links Between Canadian Trade and Foreign Direct Investment.</i>
8	March 9	International Capital Markets, Operating Exposure, and the Cost and Availability of Capital	Bodnar, Gordon, "Exchange Rate Exposure and Market Value", in <i>Mastering Risk: The Complete Finance Companion</i> , London: Pitmen Press for The Financial Times,
9	March 16	International Financial Markets: Balance of Payments Account and Exchange Rate Theories	Portal Lecture Notes
10	March 23	International Financial Markets: International Banking and Corporate Challenges	Portal Lecture Notes Rajan, R.G., <i>Has Financial Development Made the World Riskier.</i>
11	March. 30	International Financial Markets: Common Currency Areas and Sovereign Debt Issues	Portal Lecture Notes
12	April 6	Group Project Presentations	
Final Exam	TBA by FAS		

## **POLICY AND PROCEDURE**

### **Missed Tests and Assignments (including midterm examinations)**

Students who miss a test or assignment for reasons entirely beyond their control (e.g. illness) may submit a request for special consideration. Provided that notification and documentation are provided in a timely manner, and that the request is subsequently approved, no academic penalty will be applied.

In such cases, students must notify Rotman Commerce on the date of the missed test (or due date in the case of course work) and submit supporting documentation (e.g. [Verification of Student Illness or Injury form](#)) to the Rotman Commerce Program Office within **48 hours** of the originally scheduled test or due date. Students who do not provide Rotman Commerce or the instructor with appropriate or sufficient supporting documentation will be given a grade of 0 (zero) for the missed test or course deliverable.

If the midterm test is missed, with proper documentation, the weight of the midterm will be shifted to the final exam (there is no makeup test).

**Note that the physician's report must establish that the patient was examined and diagnosed at the time of illness, not after the fact. Rotman Commerce will not accept a statement that merely confirms a report of illness made by the student and documented by the physician.**

### **Late Assignments**

Late submissions will normally be penalized by 2% per day if the assignment is not received on the specified date, at the specified time.

Students who, for reasons beyond their control, are unable to submit an assignment by its deadline must obtain approval from the instructor for an extension. Supporting documentation will be required as per the policy on missed tests and assignments.

### **Accessibility Needs**

The University of Toronto is committed to accessibility. If you require accommodations for a disability, or have any accessibility concerns about the course, the classroom or course materials, please contact Accessibility Services as soon as possible: [accessibility.services@utoronto.ca](mailto:accessibility.services@utoronto.ca) or <http://www.accessibility.utoronto.ca/>.

### **Academic Integrity**

Academic Integrity is a fundamental value essential to the pursuit of learning and scholarships at the University of Toronto. Participating honestly, respectfully, responsibly, and fairly in this academic community ensures that the UofT degree that you earn will continue to be valued and respected as a true signifier of a student's individual work and academic achievement. As a result, the University treats cases of academic misconduct very seriously.

*The University of Toronto's Code of Behaviour on Academic Matters*

<http://www.governingcouncil.utoronto.ca/policies/behaveac.htm> outlines the behaviours that constitute academic misconduct, the process for addressing academic offences, and the penalties that may be imposed. You are expected to be familiar with the contents of this document. Potential offences include, but are not limited to:

In papers and assignments:

- Using someone else's ideas or words without appropriate acknowledgement.

- Submitting your own work in more than one course without the permission of the instructor.
- Making up sources or facts.
- Obtaining or providing unauthorized assistance on any assignment (this includes collaborating with others on assignments that are supposed to be completed individually).

On test and exams:

- Using or possessing any unauthorized aid, including a cell phone.
- Looking at someone else's answers
- Misrepresenting your identity.
- Submitting an altered test for re-grading.

Misrepresentation:

- Falsifying institutional documents or grades.
- Falsifying or altering any documentation required by the University, including (but not limited to), medical notes.

All suspected cases of academic dishonesty will be investigated by the following procedures outlined in the *Code of Behaviour on Academic Matters*. If you have any question about what is or is not permitted in the course, please do not hesitate to contact the course instructor. If you have any questions about appropriate research and citation methods, you are expected to seek out additional information from the instructor or other UofT resources such as College Writing Centres or the Academic Success Centre.

### **Email**

At times, the course instructor may decide to communicate important course information by email. As such, all UofT students are required to have a valid UTmail+ email address. You are responsible for ensuring that your UTmail+ email address is set up AND properly entered on the ROSI system. For more information please visit <http://help.ic.utoronto.ca/category/3/utmail.html>

Forwarding your utoronto.ca email to a Hotmail, Gmail, Yahoo or other type of email account is not advisable. In some cases, messages from utoronto.ca addresses sent to Hotmail, Gmail or Yahoo accounts are filtered as junk mail, which means that important messages from your course instructor may end up in your spam or junk mail folder.

### **Blackboard and the Course Page**

The online course page for this course is accessed through Blackboard. To access the course page, go to the UofT Portal login at <https://portal.utoronto.ca/> and log in using your UTORid and password. Once you have logged in, look for the My Courses module where you'll find the link to all your course websites. If you don't see the course listed here but you are properly registered for the course in ROSI, wait 48 hours. If the course does not appear, go to the Information Commons Help Desk in Robarts Library, 1st floor, for help, or explore the Portal Information and Help at <http://www.portalinfo.utoronto.ca/content/information-students> and review the Frequently Asked Questions.

### **Recording Lectures**

Lectures and course materials prepared by the instructor are considered by the University to be an instructor's intellectual property covered by the Canadian Copyright Act. Students wishing to record a lecture or other course material in any way are required to ask the instructor's explicit permission, and may not do so unless permission is granted (note: students who have been previously granted permission to record lectures as an accommodation for a disability are, of course, excepted). This includes tape recording, filming, photographing PowerPoint slides, Blackboard materials, etc.

If permission is granted by the instructor (or via Accessibility Services), it is intended for the individual student's own study purposes and does not include permission to "publish" them in anyway. It is absolutely forbidden for a student to publish an instructor's notes to a website or sell them in any other form without formal permission.