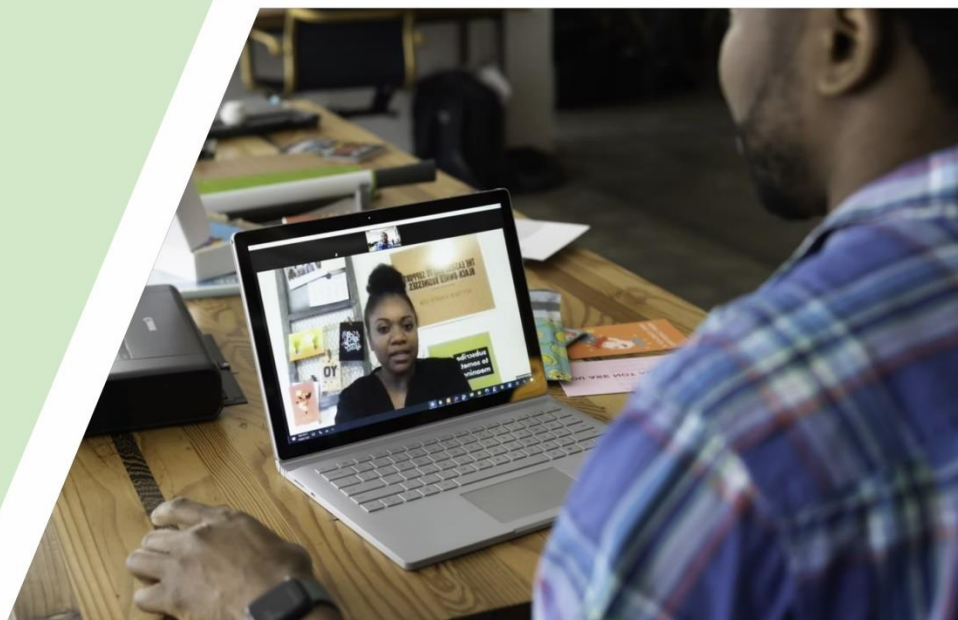


NATIONAL OPEN UNIVERSITY OF NIGERIA

BUS 840



Global Economic
Environment
Course Guide

BUS 840 Global Economic Environment Course Guide

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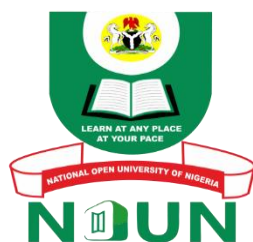
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Introduction

BUS 840: Global Economic Environment is a one semester course work of three credit units. It is available to students on M.Sc. degree programme in the School of Management Sciences at the National Open University of Nigeria.

The course is made up of 16 units divided into five modules which cover essential topics in Global Economic Environment. The topics treated include: global culture and multilateral negotiations, global power and wealth distribution and multilateral negotiations among others.

This course guide tells you what the course is all about, the relevant textbooks you should consult, and how to work through your course materials to get the best out of it. It also contains some guidelines on your tutor-marked assignments.

Course Contents

The aim of this course is to introduce you to the subject of global economic activities. Today, organisations are conducting their businesses in the global environment. Many large firms have become multinationals by doing business across national boundaries. Even small firms source their production inputs overseas. Overseas firms are producing their products in the Third World countries through their subsidiaries. There is therefore the need to understand the economic and cultural implications of operating in the international environment.

The vogue is to shift to international market and acquire as much market shares as possible. Globalisation goes with trade liberalisation among nations and the removal of all trade barriers in such a way that commerce and industry can flourish smoothly around the world without hitches and impediments.

Course Aims

The aim of the course is to educate you with global economics as it affects commerce and industry and for you to understand the part played by cultural variations in different countries in international business relations. Sooner or later, after your studies, you may be involved in one international business or another. The knowledge gained in this course would be instrumental to your successful operation.

Course Objectives

In order to achieve the full aims of this course, the study is divided into coherent modules and units and each unit states, at the beginning, the objective it is set out to achieve. You are therefore advised to read through the specific objectives before reading through the unit. However, the following represent some of the broad objectives of the course. This implies that after studying the course as a whole, you should be able to:

- explain the meaning and scope of international trade
- discuss the importance of international trade and highlight its advantages and disadvantages
- discuss the theories/models of international trade
- explain terms of trade and the meaning and implications of trade barriers
- explain the workings of international business
- discuss globalisation and international economic order
- describe how technology is transferred
- discuss regulation and control of the activities of international institutions
- describe the affairs of international institutions using India as case study
- define the process of negotiation
- describe the determinants of economic growth
- explain the elements of global economic environment
- discuss the issues driving import substitution and export industrialisation strategies
- discuss the lessons to be learnt from Asian and Mexican financial crises
- define inflation and outline how it affects business operations
- explain interest rates and discuss how they affect businesses and the economy
- discuss exchange rate and its implications for pricing.

Working through This Course

It is imperative that you read through the units carefully, consulting the suggested texts and other relevant materials to broaden your understanding. Some of the units may contain Self-Assessment Exercises (SAEs) and Tutor-Marked Assignments (TMAs) to help you. Only when you have gone through all the study materials provided by the NOUN you can satisfy yourself that indeed you have completed the course. Note that, at certain points in the course you are expected to submit assignments for assessment, especially the TMAs. At the end of the course, there will be a final examination to test your general understanding of the course.

Course Materials

Major components and study units in the study materials are:

Study Units

Module 1

Unit 1 International Trade

Unit 2 Strategic Aspects of International Trade

Unit 3 International Trade and International Business

Unit 4 Terms of Trade and Theories of International Trade

Module 2

Unit 1 Globalisation/International Institutions

Unit 2 Global Power and Wealth Distribution

Module 3

Unit 1 Multilateral Negotiations

Unit 2 Global Culture and Information Technology

Unit 3 Determinants of Economic Growth

Unit 4 Global Economic Environment

Module 4

Unit 1 Import Substitution Industrialisation Strategy

Unit 2 Export Industrialisation Strategy

Module 5

Unit 1 Lessons from Asian and Mexican Financial Crises

Unit 2 Inflation

Unit 3 Interest Rates

Unit 4 Exchange Rates

Textbooks and References

You should use the prepared text for the course made available to you by NOUN. However, in your own interest, do not limit yourself to this study text. Make effort to read the recommended texts to broaden your horizon on the course.

Assignment File

The assignment file will be made available to you (where applicable). There, you will find details of all the work you must submit to your tutor for grading. The marks you obtain from these assignments, will count towards the final mark you will obtain to hit the required pass-mark for the course.

Assessment

Your performance on this course will be determined through two major approaches. The first is through your total score in the Tutor-Marked Assignments, and the second is through the final examination that will be conducted at the end of the course. Thus, your assessment in the course is made up of two components:

Tutor-Marked Assignment	30%
Final Examination	70%

The self-assessment tests which may be provided under some units do not form part of your final assessment. They are meant to help you understand the course better. However, it is important that you complete work on them religiously so that they will help in building you strongly and serving you as mock-examination.

Tutor-Marked Assignment

At the end of each unit, there is a Tutor-Marked Assignment (TMA), which you are encouraged to do and submit accordingly. The study centre staff/ tutorial facilitator will guide you on the number of TMAs to be submitted for grading.

Each unit of this course has a TMA attached to it. You can only do this assignment after covering the materials and exercise in each unit. Normally, the TMAs are kept in a separate file. Currently, they are being administered on-line. When you answer the questions on-line, the system will automatically grade you. Always pay careful attention to the feedback and comments made by your tutor and use them to improve your subsequent assignments.

Do each assignment using materials from your study texts and other sources. Try to demonstrate evidence of proper understanding, and reading widely will help you to do this easily. The assignments are in most cases easy questions. If you have read the study texts provided by NOUN, you will be able to answer them. Cite examples from your own experience (where relevant) while answering the questions. You will impress your tutor and score higher marks if you are able to do this appropriately.

Final Examination and Grading

At the end of the course, you are expected to sit for a final examination. The final examination grade is 70% while the remaining 30% is taken from your scores in the TMAs. Naturally, the final examination questions will be taken from the materials you have already read and digested in the various study units. So, you need to do a proper revision and preparation to pass your final examination very well.

How to Get the Most from This Course

The distance learning system of education is quite different from the traditional or conventional university system. Here, the prepared study texts replace the lecturers, thus providing you with a unique advantage. For instance, you can read and work through the specially designed study materials at your own pace and at a time and place you find suitable to you.

You should understand from the beginning that the contents of the course are to be worked on carefully and thoroughly understood. Step by step approach is recommended. You can read over a unit quickly to see the general run of the contents and then return to it the second time more carefully. You should be prepared to spend a little more time on the units that prove more difficult. Always have a paper and pencil with you to make notes later on and this is why the use of pencil (not pen or biro) is recommended.

Facilitators/Tutors and Tutorials

Full information about learning support services or tutorial contact hours will be communicated to you in due course. You will also be notified of the dates, time and location of these tutorials, together with the names of your tutors. Your tutor will mark and comment on your assignments. Pay attention to the comments and corrections given by your tutor and implement the directives as you make progress.

USEFUL ADVICE

You should endeavour to attend tutorial classes since this is the only opportunity at your disposal to come face to face with your tutor/lecturer and to ask questions on any grey area you may have in your study texts. Before attending tutorial classes, you are advised to

thoroughly go through the study texts and then prepare a list of questions you need to ask the tutor. This will afford you opportunity to actively participate in the class discussions.

Summary

With globalisation of economic activities and liberalisation of trade, organisations are conducting their business in the global environment. Many firms today, especially the large ones, do their business across national boundaries. Trade liberalisation also helps firms to source raw materials anywhere they have cost advantage. The supply chain for raw materials and finished products has also gone global. United States' firms, for instance, are conducting their businesses in the home country and acquiring firms abroad. Multinational firms acquire raw materials in the Third World countries and deliver them to the head office factory for production.