

International Business Management (IBM, B.A.) Major: International Management

Module (B-IBM 9.1.3): International Economic Relations					
ID No.	Workload	Credit Points	Semester	Module Frequency	Duration
B-IBM 9.1.3	175 h	7	4 th /5 th Semester	Every semester	1 Semester
1	Courses		In-class study	Self-study	Planned group size
	B-IBM 9.1.3-V1: International Cooperation (2 WCH) B-IBM 9.1.3-V2: International Contract and Trade Law (2 WCH)		56 TU/42 h	94 h	25
2	<p><u>Learning Outcomes/Competences</u></p> <p>By the help of models from economics and political science students are able to describe and classify the emergence and characteristics of international trade, as well as its developments and problem areas. They recognize both economic and political implications of global economic structures. Further, the students are able to explain the duties of different actors and institutions of Global Governance and to evaluate their impact, using relevant global trade figures.</p> <p>The students know the basic foundations of international contract law with the focus on commercial legal relations and EU law and its basic implementations. The students can analyse and apply the elements of international contracts; from the contract creation, the implementation of the contract, up to execution of payment demands. In addition, an overview of international regulations give students the ability to recognize and competently solve problem areas in international legal relations, and assess the possibilities of exercising legal rights in an international context. They are able to write relevant texts to a professional standard.</p>				
3	<p><u>Content (56 Teaching Units)</u></p> <p>a) „International Cooperation“ (28 TU)</p> <p>1. Basic Principles of International Economic Relations (8 TU)</p> <ul style="list-style-type: none"> • Emergence and structure of global trade • Trade Models <ul style="list-style-type: none"> ○ Ricardo, Heckscher/Ohlin, New Trade Theory/Krugman • Exchange rates and exchange rate systems <ul style="list-style-type: none"> ○ Real vs. nominal exchange rates ○ Fixed vs. flexible exchange rates ○ Purchasing power parity and interest rate parity • Customs policies • Balance of payments and balance in foreign trade • Terms of Trade <p>2. The Political Dimension of International Cooperation (2 TU)</p> <ul style="list-style-type: none"> • Difference political, economic and constitutional systems. Specific examples: e.g. China, Iran, Venezuela, USA • Basic foundations of international politics <ul style="list-style-type: none"> ○ Core values ○ Actors, correlating actions and basic problems • Theories and Schools of international politics <ul style="list-style-type: none"> ○ History of international relations / dominant paradigm since WWI ○ Constitutive assumptions / methods / associations <p>3. Economic and Political Integration (6 TU)</p> <ul style="list-style-type: none"> • Form and effects of integration • The European Union <ul style="list-style-type: none"> ○ Historical dates and relevant contracts 				

- Institutions of the EU
- The Eurozone
 - Die Eurozone as optimal currency area
 - The convergence criteria of the introduction of the Euro
 - Economic policies in currency areas: impacts of fiscal, monetary and labour market policies
- Globale examples of economic integration
 - America: NAFTA, Mercosur
 - Asia: ASEAN
 - Africa: ECOWAS

4. Organizations and Institutions of Gloval Governance (4 TU)

- UN
- WTO
- The Bretton Woods Institutions
- Further Organizations
 - OECD
 - ILO
 - NGOs

5. Globalization of the economy (8 TU)

- Interdependence of goods markets
 - Explanatory models of regional economic structure
 - Global trade and Gross World Product
 - International Trade and developing / emerging countries
- Interdependence of Finance Markets
 - Bonds and actors in international finance markets
 - Infrastructure of international finance markets
 - Causes and effects of the 2008 financial crisis
- Criticisms of Globalization
 - Income disparity and globalization
 - Environmental and Resource Protection

b) „International Contract and Trade Law“ (28 TU)

1. Key features of international contract law (6 TU)

- The most important international regulations:
 - UN Convention on Contracts for the International Sale of Goods - CISG
 - International Commercial (INCO) Terms
 - Conflict of laws
 - EU Guidelines
- Private International Law (IPR)
- Contract closing and formal requirements

2. Elements of International Contracts (18 TU)

- Contract structure
- Advance agreements:
 - Letter of Intent (LoI)
 - Memorandum of Understanding (MoU)
 - Non-disclosure agreement (NDA)
- Inclusion of Terms and Conditions
 - Contractual penalties
 - Standard clauses
 - Delivery date
- Letter of Credit
- Determination of the legal system
- Legal representation of foreign partners
- Description of the subject of the contract
- Reservation of proprietary Rights in foreign business
- Exclusivity
- Guarantees and liability for defects /warrantees
- Receivable insurance

	<p>3. Enforceability of Demands (4 UE)</p> <ul style="list-style-type: none"> • International court jurisdiction <ul style="list-style-type: none"> ◦ Enforcement of judgements in civil and commercial matters (Regulation EU No. 1215/2012) • Rules of international courts of arbitration • Enforcement
4	<p><u>Teaching Methods</u></p> <p>In-class study: Seminar-type lectures, role plays</p> <p>Self-study: Reading the literature and preparation of presentations</p>
5	<p><u>Prerequisites</u></p> <p>The successful completion of the following modules is recommended:</p> <p>IBM 1.1: International Business, Bookkeeping and Cost Accounting; IBM 2.1: Microeconomics IBM 2.2: Macroeconomics; B-IBM 4: Contract Law and International Law</p>
6	<p><u>Assessment method(s)</u></p> <p>Written Examination: 90 minutes / 90 points.</p> <p>The parts “International Cooperation” and “International Contract and Trade Law” each contribute 45 minutes/45 points.</p>
7	<p><u>Prerequisites for the award of ECTS points</u></p> <p>A pass in a module is achieved when the overall grade is greater than or equal to 4.0.</p>
8	<p><u>Use of this module within the study program</u></p> <p>International Business Management and International Business Psychology: B-IBM 9.1.1: International Management; B-IBM 9.1.2: Functional Management in International Organizations</p> <p><u>Use of this module for other study programs</u></p> <p>This module can be used for students in International Business Management and International Business Psychology.</p>
9	<p><u>Grade Weighting</u></p> <p>Credit Points: 6/180 ECTS-Points</p>
10	<p><u>Module Coordinator(s)</u></p> <p>Dipl.-Volksw. Annette Höhmann, M.A. Prof. Dr. Rainer Türck</p>
11	<p><u>Literature</u></p> <ul style="list-style-type: none"> • Dornbusch, Ruediger; Fischer, Stanley: Macroeconomics, 11th edition, New York 2011. • Krugman, Paul R.; Obstfeld, Maruice, Melitz, Marc J.: International Economics. Theory & Policy, 9th edition, Upper Saddle River 2011. • Griffin, Ricky W.; Pustay, Michael W.: International Business, 7th edition, Boston 2013.