

Lingnan University
Department of Marketing and International Business
BUS 108 Global Business Environment
Course Description and Schedule
Second Term, 2007-2008

Instructor:	Dr. Clement K.W. Chow	BU213 & ext. 8370
Office Hours:	Mon: 1:30-3:30 pm, Tue: 2-4 pm, Thur: 11:30 am -1:30 pm	
No. of Credits/Term:	3	
Mode of Tuition:	Sectional Approach	
Teaching Hours:	3 Hours Per Week	
Category in Major Prog.:	Foundation Core	

Brief Course Description

This course helps students to develop a broader understanding of the world around them and of the importance of international business to their future business careers in Hong Kong or elsewhere. There are five major component parts in this course.

- **Part one** defines globalization, describes its drivers, and debates its merits and drawbacks.
- **Part two** focuses on national differences in political economy and culture.
- **Part three** presents a thorough review of international trade theories and describes the trade and investment environment in which international business occurs.
- **Part four** describes the global monetary systems in which international business transactions are conducted.
- **Part five** examines alternative entry strategies that international business adopts and explains the ways key functions that international business perform in order to compete and succeed in the international business environment.

Learning Outcomes

This course aims to provide students with a global perspective at this early stage of their degree studies. It also sets to encourage students to recognize the increasing integration of the world economy and to realize that any business, multinational or local, needs to have an understanding of the global business environment.

On completion of this course, students will be able to:

1. have a good grasp of the impact of globalization on key issues including job security, income levels, labor policies, economic growth, the environment, and national sovereignty.
2. appreciate the differences in countries and cultures that enable them to assess country attractiveness, consider negative impact of corruption, address intellectual property right issues,

and face ethical dilemmas.

3. explain for country-based comparative advantages, and understand the pros and cons of strategic trade policies and foreign direct investments.
4. appreciate the pros and cons associated with alternative entry strategies and the international dimensions of the various functional activities.

An associated objective of this course will be to ease and allow for the introduction of international dimensions to all other courses as per the long-term policy of the degree program. As students will have a basic grounding in international business, other instructors should find it somewhat easier to introduce international topics and cases in their own courses.

Further, from an integrative perspective, this course addresses the competitive challenges of doing business in different geographic environments. It ties in with the other international business modules focusing on firm-level strategies and structures of International Business Management, Special Topics in International Business, and the Minor Program in China Business Studies.

Measurement of Learning Outcomes

1. Academic controversies and debates require teams to address pros and cons of globalization issues like job security, economic prosperity, environmental safety, and national sovereignty. The creation of intellectual conflicts works to improve academic learning.
2. Problem-based case discussions require students to apply conceptual knowledge in assessing country attractiveness, and develop an understanding of related benefits, costs and risks of operating in different countries.
3. Team projects require each student group to face with a choice of two country environments whereby students search updated information to back up their analyses and support their judgments over country-specific advantages.
4. Team presentations require each student group to present findings orally as well as answer questions from audience. The team project and presentation is assessed for logicity, argument and feasibility of recommendations.
5. Essay writing on current issues (such as opportunities and challenges arise out of CEPA and Pan Pearl River Delta arrangements) require students to get familiar with current trends of increasing integration of the world economy.
6. Final examination requires students to apply past learning in addressing examination questions under the global business environment perspective.

Teaching Method/Class Activities

The basic method of instruction will be through lectures coupled with assignments, cases and projects. Students will be required to apply concepts to analyze current business issues, and significant use will be made of cases of multinational businesses operating in Asia and of Hong Kong firms operating in the

international environment.

Required/ Essential Reading

Charles Hill, *Global Business Today (Fifth Edition)* McGraw Hill (2008)

Use of CD-ROM and Internet Site

The set text comes with an impressive array of supporting materials. With each textbook you will receive a 'Global Business Plan & Resource CD-Rom'. This CD contains full summaries of each chapter in the text and links to appropriate websites. Material on the CD and links from it will be invaluable in the completion of your assignments. Please take the time to explore this CD thoroughly.

Additionally on the Internet there is a website dedicated to the support of this text. Type the following address into your browser. www.mhhe.com/hillgbt4e from there go directly to the student center and you will find a host of useful and additional features including on-line self-tests, chapter summaries and further online links. Once again please do take the time to explore this internet site as it will be most useful to you and make the whole course more interesting and relevant. You will need to sign up to POWERWEB in order to take full advantage of all features.

Recommended/Supplementary Reading

Charles Hill, *International Business: Competing in the Global Marketplace (Third Edition)*, Irwin McGraw Hill (2000)

Donald Ball and Wendell McCulloch, *International Business: The Challenge of Global Competition (Sixth Edition)*, Irwin 1996

Karl E. Case and Ray C. Fair, *Principles of Macroeconomics*. Fifth Edition. Upper Saddle River, New Jersey: Prentice Hall, 1999.

John Dunning, *Multinational Enterprises and the Global Economy*, Addison Wesley 1993

Beamish, Morrison, Rosenzweig and Inkpen, *International Management: text and cases (Fourth Edition)* McGraw Hill 2000

George Yip, *Total Global Strategy: competing for worldwide advantage* Irwin 1991

Paul Krugman and Maurice Obstfeld, *International Economics: Theory and Policy (Second Edition)* Harper Collins 1994

John Daniels and Lee Radebaugh, *International Business: Environments and Operations (Eighth Edition)* Addison Wesley 1998

Additionally, I would recommend that you scan the following magazines/ journals for further information on the subject of international business;

International News and Business Magazines

The Economist
Fortune

Newspapers (International and Local)

South China Morning Post
Asian Wall Street Journal

Proposed Course Curriculum

Week	Topics Covered	Chapter	Seminar in the second class of each week
1	Introduction & Globalization	1	
2	Country Differences in Political Economy	2	
3	Differences in Culture	3	
4	Chinese New Year Holiday		
5	Ethics in International Business	4	Library in-house presentation (19 Feb)
6	International Trade Theory	5	
7	Political Economy of Trade	6	Case 1: closing case in Chapter 2
8	Foreign Direct Investment	7	Case 2: closing case in Chapter 3
9	Regional Economic Integration, (midterm test at MBG06, 4:30-5:30pm on 17 Mar)	8	Experiment: merging & acquisition overseas
10	The Foreign Exchange Market	9	Case 3: closing case in Chapter 5
11	The Global Monetary System	10	Case 4: closing case in Chapter 6
12	Entering Foreign Markets	12	Case 5: closing case in Chapter 7
13	Exporting & Importing	13	Case 6: closing case in Chapter 8
14	Student project presentations		
15	Final Course Review & Examination preparation		

Note: 'Chapters' refer to the set text 'Charles W. Hill – Global Business Today 5th/E'.

'Case 1: chapter 2' refer to the closing case of chapter 2 of Global Business Today.

ASSESSMENT

Continuous Assessment 50% made up as follows:

- 20% Group Project
- 15% Mid-term Examination
- 10% Group case Presentation
- 5% Attendance and Participation

Group Project and Presentation (20%)

Your Group Assignment is practical in nature and requires you to apply many of the concepts from the course to a 'real-life' business situation. You will be marked on the following:

Presentation

A group needs to make a professional **25-minute (max.) presentation** outlining its analysis and providing the reasons for its choice.

Report

A group should submit a written report of its analysis. Reports should be **no more than 4,000 words** in length although its format varies with use of tables, charts etc. in **the last week of the semester**.

Your team is working as management consultants for a Hong Kong manufacturing company. The organisation sells 40% of its products in Asia, 30% in North America and 30% in Europe. At present the firm has one manufacturing facility in Hong Kong but is looking to build a larger more modern plant in another country, you expect to employ about 1,500 workers there. The firm has already done some preliminary work and has come down to a choice between two countries in which to site this new facility. You are required to advise the firm on which of these countries may be the most appropriate manufacturing location for the firm. Goods produced in the new facility will be exported worldwide and are not intended for the 'local' market.

In order to advise the firm you will need to consider the business environments in each of the countries that have been suggested. In particular you will need to consider;

- X Standards of living, wage levels and other relevant economic background of each country
- X Tax rates and investment incentives offered in each country.
- X Availability of labour with the necessary skills in each country.
- X Natural factor conditions in each country, infra-structure development and availability of relevant supporting industries.
- X Legal environment in each of the countries regarding labour laws, environment laws etc.
- X Membership of Regional Trade Agreements of each country and other trade-related considerations
- X Cultural considerations and ability of Hong Kong management team to work with local employees
- X Political risk considerations in each country.
- X Any other factors you consider relevant.

At the end of your analysis you **must** make a choice of which country the firm should locate in and provide a summary of the main reasons for your choice.

(Note that Investment Promotion bodies of many countries will be able to help provide you with this information, check the Internet to find links to these bodies. You may also wish to contact the commercial arms of local Consulates in order to speak with a Commercial Officer involved in Investment Promotion activities).

Your project involves selecting two countries: Please select one from List A and another from List B to be your potential destination sites, and then compare them to arrive at your final decision concerning FDI location. By the way, choices of countries and industries are on first come first serve basis. No single group should repeat other group's choices of countries or industries.

List A	List B	
Canada	Australia	Pasta
France	Vietnam	Soft drinks
Germany	Brazil	Knitwear
Japan	Indonesia	Electronic health tools
Netherlands	Mexico	Leather goods
Singapore	Philippines	Gloves and mittens
Taiwan	South Korea	Air-conditioners
United Kingdom	Thailand	Educational tools
United States	Turkey	Wrist watches

Group Case Presentation (10%)

On a group basis you will be required to professionally present your analysis of a seminar case, which is the closing case of a chapter in your textbook, assigned to you by lottery within 25 minutes (max.). The schedule of the presentation is listed in the teaching schedule. **No written report is required for group cases.**

Mid-term Test (15%)

The mid-term test will cover chapters 1 - 7 from the set text. It will contain a number of multiple-choice questions. This test will be held at **MBG06** on **17 Mar 2008 (Monday 4:30-5:30PM)**.

Participation (5%)

You are actively encouraged to ask questions in class. Students who display an interest in the subject score higher in participation. Taking an active part in group discussions or clear leadership in your group projects / presentations also adds to participation marks. You lose participation marks for low attendance, consistent lateness, disturbing behaviour etc. However, **high attendance does not mean a high participation mark.**

Final Examination 50%

Statement on class conduct

In order to avoid any possible misunderstanding, the following guidelines have been put together and distributed in order to clarify the expectations that the Lecturer has with regard to classroom conduct.

Student participation

The course assessment schedule indicates that there is 5% of marks awarded for 'participation'. Students who do participate fully in the class, complete the assigned readings prior to class and become involved in seminar activities almost invariably perform better in terms of their final grades.

The class will be substantially more meaningful and rewarding if vigorous discussion can be promoted. Discussion of the issues is always encouraged even if this results in students and lecturers holding opposing views on some of the subjects to be discussed.

Questions

The course covers many new areas and much of the reading for this programme covers somewhat advanced models and theories. In each classroom session an effort will be made to provide time for questions to be asked. Should students have any questions please raise them **in the classroom** during these sessions so that all students may benefit. Should follow-up on any particular issue be required a meeting can be scheduled if necessary.

Presentations

In this course, given the large number of students will be required to make a number of formal

presentations. Thorough preparation of these presentations is required and they should be conducted in a formal 'business-like' manner including business dress. During other exercises or activities in class short, informal presentations may be required however. For all presentations please respect your fellow students and do not chat or otherwise disturb classmates who are making any form of presentation.

Punctuality

Please ensure that you are seated and ready for the class to begin promptly 'on the half hour'. If you are a few minutes late it is common courtesy to knock lightly on the door before entering and to apologise for your lateness. If you are more than five minutes late, please avoid disturbing the rest of your classmates and make an effort to catch up on the materials covered in your own time. Any student who is habitually late will be reprimanded.

Attendance

As this is the first year of your studies I expect you to attend all classes. If you have some external appointment please inform me beforehand. In such cases permission to attend such appointments will normally be granted. Please inform the lecturer as early as you can if you need to miss one of the classes. If you miss a class in this manner please make every effort to catch up with the work covered in your own time.

Pagers/Telephones

Prior to each class session please ensure that the audible emissions from these devices have been set to OFF.

Eating

Do not bring foodstuff into the classroom at any time.

Chatting

Whispered discussions in the classroom are very off-putting to the lecturer and the rest of the class. There will be many opportunities to ask questions and to work in groups during the sessions, however, in the name of courtesy please refrain from chatting with colleagues during lectures or the presentations of other student groups.