



## 1. General Information

Course Subject	STRA
Course Number	3702
Course Title	International Business Environment
Academic Years	2023-2024
Grading Method	Letter

## 2. Instructors

Professor Sun, Chang  
Office: Room 1226 /F K.K. Leung Building  
Email: sunc@hku.hk  
Office: 39174220  
Subclasses: 2A

## 4. Course Description

Course Description	This course helps you to understand the macroeconomic environments of international businesses. The course examines recent issues and trends in globalization through the lens of economic theories in international trade, political economy and macroeconomics. In particular, we will explore the origins of the recent rise of protectionism and populism in the US and Europe, the macroeconomic consequences of financial globalization and crises, and the challenges and opportunities of international migration. Combining economic analyses and real-world case studies, we further examine the implications of these issues on the aggregate economy as well as on individual companies. The course will equip you with skills to independently analyze new issues and policies related to international economics. It also provides you background knowledge for formulating better corporate strategies.
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## 5. Course Objectives

1. To understand the basic facts and trends about globalization
2. To understand the driving forces of international trade and exchange rate movements
3. To understand the impact of globalization on the aggregate economy as well as individual firms
4. To acquire skills to analyze new economic policies related to international business

## 6. Faculty Learning Goals

- Goal 1: Acquisition and internalization of knowledge of the programme discipline
- Goal 2: Application and integration of knowledge
- Goal 3: Inculcating professionalism
- Goal 4: Developing global outlook

6. Faculty Learning Goals
Goal 5: Mastering communication skills
Goal 6: Cultivating leadership

7. Course Learning Outcomes						
Course Teaching and Learning Activities	Aligned Faculty Learning Goals					
	1	2	3	4	5	6
CLO1. Develop skills in analyzing economic, cultural, and legal/political differences between countries	✓			✓		
CLO2. Apply international business theories to address issues related to country selection and entry strategies etc.	✓	✓		✓		
CLO3. Build managerial leadership and competency in managing international entry and operation strategies	✓	✓	✓	✓		✓
CLO4. Develop skills in case analysis, presentation, communication, and teamwork		✓			✓	

8. Course Teaching and Learning Activities		
Course Teaching and Learning Activities #	Expected Study Hours	Study Load (% of study)
T&L1. Lecture with interactive exercises	36	30
T&L2. Group-based study and analysis	36	30
T&L3. Self-study	48	40
	Total: 120	Total: 100

9. Assessment Methods			
Assessment Methods	Description	Weight %	Aligned Course Learning Outcomes
A1. Class participation	<p>Attendance is mandatory for all classes. If you are unable to attend a session that involves case discussion, you need to submit a written analysis of the case. Your write-up should not be longer than two pages and should be sent to me by email before the session. This accounts for 7% of the grade.</p> <p>Many lectures are accompanied by case discussions. You are expected to ask questions and participate in the discussion actively. Your participation grade will be based on the quality and frequency of your contribution to the discussion. I will take note whenever you make a contribution to the discussions. This accounts for 8% of the grade.</p>	15%	1,2,3,4
A2. Assignments	There will be two assignments for this class. The purpose is to help you better understand the important concepts and their applications. You can discuss the assignments with classmates but must submit individual write-ups. The assignments and due dates will be announced later.	20%	1,2,3,4

## 9. Assessment Methods

A3. Group Project Presentation	<p>You are asked to form groups of three to five (depending on the total number of students in class) to work together on the cases that we will discuss in class. In particular, you need to pick one case to present, and another case to discuss.</p> <p>Presentation of the Case (20%) Your group will present one of the eight cases to the entire class. The presentation takes 15 min. You should cover the background of the case, identify the key strategy/policy debate and take a stand on what the firm/government should do under the circumstances described in the case. You are encouraged to research additional materials not covered by the case to strengthen your arguments. Other students will ask questions during and after your presentations. You should also send your presentation slides to your discussants for them to prepare the discussion slides.</p> <p>Discussion of the Case (10%) A different group will discuss the presentation for 7 min. You should first summarize the earlier presentation and acknowledge the insights of the presenters. Next, you discuss the presentation in a critical way. You may take a very different view on what the firm/government should do, or actually agree with the earlier presentation but want to supplement with additional arguments that have been missed. In any case, you should prepare slides and make your points as clear as possible.</p> <p>A separate guide for the presentation and discussion, including choosing cases and grading criteria will be posted on Moodle.</p>	30%	1,2,3,4
A4. Individual Essay Assignment: A Policy Memo	<p>You need to submit an individual essay at the end of the course. You are asked to perform analysis on a recent policy issue in international economics. You need to imagine working for the head of state of a country of your choice and write the essay in a “policy memo” format. This policymaker requests to be briefed on a recent issue/policy in international economics (e.g., Export Restrictions on Medical Supply during the Pandemic). She/he wants to (1) understand what is going on (2) understand the causes of the issue or the rationale of the policy (3) understand its potential impact on aggregate economic outcomes or industry outcomes, as well as the implications for businesses (4) know how the government or local businesses should react.</p> <p>The memo should not be longer than 10 pages (double space, font size = 12). A separate guide for the policy memo, including potential topics to choose, format of the essay, grading criteria and deadlines will be posted on Moodle.</p>	35%	1,2
A5. Final Exam		0%	

10. Course Grade Descriptors		
A+,A,A-	Strong evidence of superb ability to fulfill the intended learning outcomes of the course at all levels of learning: describe, apply, evaluate and synthesise	
B+,B,B-	Strong evidence of ability to fulfill the intended learning outcomes of the course at all levels of learning: describe, apply, evaluate and synthesise.	
C+,C,C-	Evidence of adequate ability to fulfill the intended learning outcomes of the course at low levels of learning; such as describe and apply, but not at high levels of learning such as evaluate and synthesise	
D+,D	Evidence of basic familiarity with the subject	
F	Little evidence of basic familiarity with the subject	

11. Course Content and Tentative Teaching Schedule		
Topic/ Session	Content	Other information
1	Globalization: Overview	
2	Why do Nations Trade?	Ricardian comparative advantage, Heckscher-Ohlin comparative advantage, New trade theories
3	Political Economy of Trade Policies	Instruments of trade policies, Winners and Losers from Trade, political economy of trade policies, recent trends in protectionism
4	Trade Policies in Practice	Case: international lobbying History of the World Trade System, WTO and Regional trade agreements
5	Industrial Policies	Case: renegotiating NAFTA External Economies of Scale Industrial Policies Trade Policies in Developing Economies
6	International Capital Movement	Case: rare earth National Income Accounting, Balance of Payments, Current Account Imbalances
7	Understanding Exchange Rate Movements, I	Case: Australia Determinants of short-run exchange rates, Exchange rate regimes, balance of payment crisis
8	Understanding Exchange Rate Movements, II	Case: Argentina 2002 crisis the role of monetary and fiscal policies Real exchange rates
9	International Monetary Systems and Currency Unions	Case: Latvia History of international monetary systems, currency unions
10	Financial Globalization and Crises	Case: firm responses to financial crises the Global Financial Crisis of 2007-2009, International banking and regulations
11	International Labor Migration	Case: German migration policies The impact of international labor migration, brain drain, refugee crisis

## 11. Course Content and Tentative Teaching Schedule

12	Multinational Firm Financial Management	MNC tax avoidance; Management of exchange rate exposure
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## 12. Required/Recommended Readings & Online Materials

Reading	<p>Lecture 4: Daemmrich, A.A., 2011. International Lobbying and the Dow Chemical Company (No. 9-710- 027), Harvard Business School Cases.</p> <p>Lecture 5: Alfaro, L., Sheldahl-Thomason, H., 2018. Renegotiating NAFTA (No. 9-318-143), Harvard Business School Cases.</p> <p>Lecture 6: Tao, Z., Sun, C., and Hui, M. 2021. "Rare Earths: A Battle for Dominance." Asia Case Research Center, the University of Hong Kong.</p> <p>Lecture 7: Alfaro, L., Kim, R., 2013. Australia: The Riches and Challenges of Commodities (No. 9-709– 007), Harvard Business School Cases.</p> <p>Lecture 8: Di Tella, Rafael, and Fernanda Miguel. 2015. "Breaking Bad (the Rules): Argentina Defaults, Inflates (and Grows), 1997–2015." Harvard Business School (9-714-036).</p> <p>Lecture 9: Rafael Di Tella, Rawi Abdelal and Natalie Kindred. 2017. "Latvia: Navigating the Strait of Messina." Harvard Business School (9-711-053).</p> <p>Lecture 10: Enright, Michael J., and Vincent Mak. 2003. "Financial Crises and Firm Performance." Asia Case Research Center, the University of Hong Kong (HKU299).</p> <p>Lecture 11: Gaikwad, Nikhar, and Kenneth Scheve. 2016. "Willkommen to Europe: The Political Economy of Migration Policy in Germany." Stanford Graduate School of Business (P-85).</p>
Textbook	Paul Krugman, Maurice Obstfeld, and Marc Melitz. International Economics: Theory and Policy. 10th Edition. Global Edition. Pearson, 2015

## 13. Means / Processes for Student feedback on Course

✓	Conducting mid-term survey in additional to SETL around the end of the semester
	Online response via Moodle site
	Others

## 14. Course Policy

The University Regulations on academic dishonesty will be strictly enforced. Please check the University's statement on plagiarism at <http://www.hku.hk/plagiarism/>.

Students are required to attend classes on time. Arriving late or leaving early or walking in/out during class without permission will affect your class participation grade. Students are required to put your mobile phone on silent during the class.

## 15. Additional Course Information

I will send announcements about course schedules, assignments and readings via Moodle emails. Please check your mail box regularly for updates. Lecture notes will be posted on Moodle before each lecture, but I will not send separate announcements about them. Please download or print them out before you come to the class. Cases will be distributed during the lectures one week before the discussion.

Please note that the syllabus and schedule may be subject to change.