

2<sup>nd</sup> Term 2023-2024

Course Title	:	International Trade and Investment
Course Code	:	MIB504
No of Credits/Term	:	3
Mode of Tuition	:	Sectional approach
Teaching Hours	:	42 hours / 3 hours per week
Category in Major Programme	:	Required Course
Prerequisites(s)	:	Nil
Exemption Requirement(s)	:	Nil
Instructor:		Prof. Clement Kong Wing CHOW
Office & Consultation hours	:	SEK101/1, By appointment

### **Brief Course Description:**

This course is designed to introduce students to the global environment in which international firms operate and to deepen their understanding of how firms organize and compete in international markets. The ‘context’ section of the course therefore focuses on the economic, political and cultural environments existing in international markets and examines the institutional setting of international trade and foreign direct investment. The ‘management’ section refers to how firms operate within the international context, examining the options that firms have for entering international markets and the choices that firms make with regard to their international organization and strategy.

### **Aims**

The course aims to provide a solid understanding of the larger organizational context in which firms competing in international markets operate. International marketing activities occur within this broader framework and as such this course supports the programme by providing a common understanding of the background to international business and management.

### **Learning Outcomes:**

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

1. Compare and define alternative political, economic and cultural environments and explain the implications of these environments for business operations;
2. Comprehend the institutional environment of international trade and foreign direct investment;
3. Evaluate the alternative options for firms entering into international markets and justify the means by which firms may organize and compete internationally;
4. Demonstrate comprehension of the linkages between international and organizational environments and a firm’s international marketing activities; and
5. Appraise the ethical behavior of firms operating in international markets.

## Library Guides

The library has prepared two very useful websites which aim to support both the course as a whole and the group project in particular. These sites contain links to further information on the global business environment and sources for gathering information for the group project and samples of previous projects completed. Please make use of these sites and the other services which the library provides in order to assist you with your learning.

1. Marketing & International Business Guide:  
[http://libguides.ln.edu.hk/marketing\\_international\\_business](http://libguides.ln.edu.hk/marketing_international_business)
2. Company Information Guide: [http://libguides.ln.edu.hk/company\\_information](http://libguides.ln.edu.hk/company_information)

## Measurement of Learning Outcomes:

1. In-class exercises and activities measures students' familiarity with materials and their ability to apply concepts to current international business issues and activities.
2. The group project and presentations requires students to conduct an international market assessment. Students will be required to apply their understanding of different national environments and consider the implications of these for entering particular markets. The report and presentation are assessed for logicity, flow of argument and feasibility of recommendations. Peer review measures will be utilized in determining differences in performance levels within the group.
3. The individual essay requires students to propose and justify an entry model for a real firm entering into a real new national market. Students need to demonstrate an understanding of the institutional and organizational challenges of operating in the market and detail why their specific entry mode is appropriate.
4. The mid-term test measure students' knowledge the context of international business.
5. The final examination assesses the understanding of the totality of the course materials and will be presented in a case format which requires students to integrate theories and principles with the managerial choices of a specific firm.

Specific assessment methods/tasks	Weighting	Course Intended Learning Outcomes to be assessed				
		1	2	3	4	5
Participation	10%	√		√	√	√
Individual Essay	15%			√	√	
Group project presentation:	35%	√	√			√

Final examination	40%	√	√	√	√	√
<b>TOTAL</b>	<b>100%</b>					

**Teaching Method:**

There will be a mixture of lectures, discussions, group presentations and case studies. The lecture will provide a structure for studies and further readings. Each lecture will be backed up with some form of interactive learning activity designed to stimulate analysis, and problem solving exercises to demonstrate the practical implications of the topic under discussion.

**Required Text**

**Charles Hill and G. Tomas Hult, *Global Business Today (Twelfth Edition)* McGraw Hill (2022)**

the textbook purchase links for MIB504:

Paperback:

<https://apbookshop.com/LNU/EN/Display/PrintedBook?ISBN=9781260565812&ForMaterials=False&Created=False>

e-Book:

<https://apbookshop.com/LNU/EN/Display/PrintedBook?ISBN=9781260568318&ForMaterials=False&Created=False>

**Assessment:**

Academic dishonesty and plagiarism will automatically result in a failing grade. The final letter grade for the course is based on the following distribution:

	<i>Class Participation:</i>	10%
	<i>Individual essay:</i>	15%
	<i>Group Project Presentation:</i>	35%
	<i>Final examination</i>	40%
<b>Total:</b>		<b>100%</b>

**Class Attendance and Participation (10%)**

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

## **Individual Case Assignment - International Business Strategy (15%)**

You are required to write an essay of 1,500-2,000 words on a case study topic related to International Business Strategy. Students are required to study a business case focusing on formulating and implementing an international business strategy for a real firm entering into a real new national market. Students need to demonstrate an understanding of the institutional and organizational challenges of operating in the market and detail why their specific entry mode is appropriate. Full details of the assignment will be distributed in class. Please pay attention to the notes on referencing and plagiarism. **The assignment must be submitted via turnitin to the individual case assignment folder of the course website on Moodle before 9:30 am on 19 April. Late submission without any proper reason will not be accepted.**

## **Group Project Presentation (35%)**

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 **20-minute presentation** outlining its analysis and providing the reasons for its choice. The electronic file for presentation should be uploaded to the assignment folder of course website on Moodle platform **at least 24 hours before the first presentation time (9:30am on 26 April)**. No change is allowed after the submission. Students should open the file through the Moodle platform for presentation.

### **Project Requirements**

Your team is working as management consultants for a Hong Kong manufacturing company. The organization 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. (No repetition of countries or industries is allowed among groups.)

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).

### **Final Exam (40%)**

The final exam will cover everything that has been included in the course. It is normally in essay format, requiring students to answer questions from a variety of issues related to the course.

### **Important Notes:**

- (1) Students are expected to spend a total of 6 hours (i.e. 3 hours of class contact and 3 hours of personal study) per week to achieve the course learning outcomes.**
- (2) Students shall be aware of the University regulations about dishonest practice in course work, tests and examinations, and the possible consequences as stipulated in the Regulations Governing University Examinations. In particular, plagiarism, being a kind of dishonest practice, is “the presentation of another person’s work without proper acknowledgement of the source, including exact phrases, or summarised ideas, or even footnotes/citations, whether protected by copyright or not, as the student’s own work”. Students are required to strictly follow university regulations governing academic integrity and honesty.**
- (3) Students are required to submit writing assignment(s) using Turnitin.**
- (4) To enhance students’ understanding of plagiarism, a mini-course “Online Tutorial on Plagiarism Awareness” is available on <https://pla.ln.edu.hk/>.**

### **Proposed Course Curriculum**

Week	Topics Covered	Chapter	Seminar activity
1	Introduction & Globalization	1	
2	National Differences in Political Economy	2	
3	National Differences in Economic Development	3	
4-5	Lunar New Year holidays		
6	Differences in Culture, Ethics in International Business	4,5	
7	International Trade Theory	6	
8	Government Policy and International Trade	7	
9	Foreign Direct Investment	8	
10	Strategy of International Business	12	
11	Regional Economic Integration	9	
12	The Foreign Exchange Market & The Global Monetary System	10 & 11	
13	Entering developed and emerging markets	13	
14	Exporting & Importing	14	<b>Submit individual case before 9:30am, 19 April</b>
15	Student project presentations group 1 – 6		
16	project presentations group 7 – 11. Course Review and Exam Preparation		

Note: The schedule is indicative only. ‘Chapters’ refer to the required textbook

**Required/Essential Readings:**

Charles W.L. Hill, G.T.M. Hult, *Global Business Today* (12<sup>th</sup> edition). McGraw-Hill 2022.

**Recommended/Supplementary Readings:**

**Books**

John J. Wild, Kenneth L. Wild, *International Business: The Challenges of Globalization*, Pearson 2016.

Ball, Geringer, McNett and Minor *International Business: The Challenge of Global Competition*, 13th edition, McGraw Hill , 2012.

Daniels, Radebaugh and Sullivan “*International Business: Environments and Operations*, 16<sup>th</sup> edition, Prentice Hall, 2019.

Mike W. Peng, *Global Business*, 2<sup>nd</sup> edition, South-Western, 2011.

Rugman and Collinson , *International Business*, 6<sup>th</sup> edition, Prentice Hall, 2012.

**Participation Rubric**

Criteria	Very good (8-10)	Satisfactory (4-7)	Poor (0-3)
Class attendance and participation	Class attendance is regular and the student speaks up regularly and enthusiastically	Class attendance is quite regular but the student participates only when asked by the instructor	Class attendance is erratic and participation is nil or almost nil
Articulateness	Expression of ideas or opinions were consistently factually accurate, logical and clear	Expression of ideas or opinions were generally factually accurate, logical and clear, but with a number of minor lapses	Ideas or opinions were not expressed logically, and were characterized by significant factual inaccuracies and lack of clarity

LG4 Students are able to demonstrate effective consideration of international business theories and strategies

Traits	10-8 ( Very Good)	7-4 (Satisfactory)	3-0 (Unsatisfactory)
Identifies the strategy development in the international expansion situation	Clearly identifies all the main factors applying to the case and pays attention to the nuances	Recognizes all or most of the main factors applying to the case but ignores nuances	Fails to recognize important factors applying to the case or recognizes them incorrectly
Identifies issues & mitigates relevant risks & create values	Identifies all issues & mitigates all relevant risks & clearly explain how to create values	Identifies some of the issues & mitigates some of the relevant risks and partly explain how to create values	Identifies few issues & mitigates few or no relevant risks and fail to explain how to create values
Applies relevant theories & models and shows the ability to evaluate the firm's strengths and weaknesses	Applies relevant theories & models and clearly shows the ability to evaluate the firm's the firm's strengths and weaknesses	Applies relevant theories & models and shows the ability to evaluate some of the firm's strengths and weaknesses	Fails to apply relevant theories & models and cannot show the ability to evaluate the firm's strengths and weaknesses
Chooses & justifies an appropriate strategy for addressing the international and cross-cultural situation faced by multinational firm	Chooses a feasible strategy and fully justifies it as appropriate for addressing the international and cross-cultural situation faced by the firm, also explaining how the strategy can be implemented.	Chooses a feasible strategy and provides partial but sufficient justification for it, or fails to explain how it can be implemented.	Fails to choose a feasible strategy or makes proposals that do not consider or are inconsistent with market entry analyses.
Provides a clearly articulated written paper.	Professionally written submission, clear and easy to read with very few errors.	Competently written but with unclear structure or significant grammatical errors.	Difficult to read or follow main points, poorly laid out or with poor grammar.



Group Project – Assessment and marking rubric.

<b>Traits</b>	<b>10-8 ( Very Good)</b>	<b>7-4 (Satisfactory)</b>	<b>3-0 (Unsatisfactory)</b>
Identify criteria relevant to their analyses and decisions (10%)	Chooses highly relevant criteria for conducting their analyses and decisions	Chooses appropriate criteria for conducting their analyses and decisions	Does not identify criteria or chooses inappropriate criteria for their analyses and decisions.
Based on set criteria students can compare the markets and propose a solution (30%)	Present a clear comparison of relevant merits and demerits and can draw reasonable solutions	Identifies some of merits and demerits but is not industry-specific in comparison.	Fails to identify the merits and demerits and present information of little relevance to the firm.
Demonstrate ability to develop and utilise a weighted country attractiveness matrix (10%)	A clearly structured matrix with appropriate data, calculations and conclusion.	Satisfactory matrix but with some problems in data, calculations or conclusions.	Failed to use matrix or uses incorrect data or calculations or draws wrong conclusions.
Students find and utilize appropriate international data and sources to find recent, comparable information for their decisions (30%)	A good mix of data sources used with clearly sourced and labelled comparable and recent data.	Uses a satisfactory number of data sources but with some limitations in extraction or presentation of comparable and recent data	Relies on a very limited number of data sources or presents poorly labelled, out of date or incomparable data.
Students deliver a professional well-structured presentation (20%)	A smooth, well-structured presentation with clear data and conclusions. Well handled answers to questions.	A satisfactory presentation though with mistakes in data or showing signs of lack of preparation	A poor presentation that displays a clear lack of presentation and significant flaws in information.

Final Examination

<b>Traits</b>	<b>10-8 ( Very Good)</b>	<b>7-4 (Satisfactory)</b>	<b>3-0 (Unsatisfactory)</b>
Comprehension of relevant concepts	Demonstrates a deep insightful level of understanding of relevant concepts	Demonstrates an adequate level of understanding of relevant concepts	Demonstrates an inadequate level of understanding of relevant concepts
Application of concepts to problem solving	Appropriate concepts are all applied correctly, to provide an in-depth analysis to problems	Appropriate concepts are, for the most part, applied correctly, to provide analysis to problems	Concepts are not applied, or are generally applied inappropriately or incorrectly.
Presentation	Expression of idea were consistently accurate, logical and clear	Expression of idea were generally accurate, logical and clear but with several lapses	Ideas were not expressed logically, and were characterized by significant inaccuracies and lack of clarity