

**THE UNIVERSITY OF HONG KONG**

**Bachelor of Business Administration**

Course: BUSI0044 International Business

Academic Year: Fall Semester, 2008-09

Instructor: Professor Joseph Cheng

Email: jlcheng@uiuc.edu; Phone: 2859-1006

Office: Meng Wah Complex 729L

(Revised: September 15, 2008)

Monday 10:40-12:30 Knowles Building 807

Wednesday 11:40-12:30 K.K. Leung Building 109

Office Hours: Wednesday 10:40-11:40 and by appointment

**Objectives:**

This course examines the opportunities and challenges that contemporary managers confront when conducting business across national borders. Its aim is to develop an understanding about the complex dynamics at play that drive the changing world economy and their implications for global competition among firms and nations. This will be done by examining the five main components of the international business environment, including the economic, cultural, legal, political, and technological systems. Special attention will be given to exploring both the positive and negative impact of these components on international business transactions, particularly as it relates to firms and nations in Asia-Pacific.

Throughout the course, we will make use of a variety of materials, including theoretical readings, research reports, and cases of real organizational problems. **Emphasis will be placed on integrating theory and practice through a disciplined application of concepts and models to analyze problems.** We will also welcome your personal experiences and observations as input for class discussion.

**Texts:**

Cavusgil, S.T., G. Knight, & J.R. Riesenberger (CKR). *International Business: Strategy, Management, and the New Realities*. Pearson Prentice Hall, 2008. (Required)

Friedman, T.L. (FRD) *The World is Flat*. Expanded Edition. Picador/Farrar, Straus and Giroux, 2007. (Supplemental)

**Requirements:**

The course requirements include (1) quality class participation, (2) a mid-term exam, (3) a final exam, (4) a group country report (text no longer than 5 double-spaced pages, 12-point font) and presentation, and (5) a group project report (text no longer than 15 double-spaced pages, 12-point font) and presentation.

Students will form their own groups of 4-6 persons each. Attendance in all class periods is required; and students are expected to read the assigned materials beforehand and participate in class discussions, just as they would do when attending a business meeting. The specific requirements to be evaluated, including course weights, are as follows:

Class participation (including attendance)	15%
Mid-term Exam	20%
Final exam	20%
Group <u>country</u> report and presentation	15%
Group <u>project</u> report and presentation	30%

## **Country Report:**

Each group will select a topic from the seven available listed in the syllabus for the period September 17 to November 17 and apply the material learned about that topic to analyze the business conditions in one of five AJCKS countries (Australia, Japan, China, Korea, and Singapore). If more than two teams are choosing the same case, selection will be granted on a first-come-first-served basis according to the order in which the email request is received by the instructor. Specifically, the analysis and country report (text no longer than 5 pages, double-spacing, 12-point font) will seek to answer the following questions:

1. As for the topic concerned, what do you consider as the most distinctive features of the country selected relative to the other countries that you know about? Why are these features distinctive? (1 page)
2. Do these distinctive features offer an advantage or disadvantage to the firms based or headquartered in the selected country? Why? (1 page)
3. Do these distinctive features offer an advantage or disadvantage to foreign firms that want to conduct business in the selected country? Why? (1 page)
4. What advice would you give to the government of the selected country to help facilitate international business transactions involving their resident firms, both foreign and domestic? Justify your recommendation(s). (1-2 pages)

The country report is due at the beginning of the class on the scheduled date of presentation.

The group will have 15 minutes to present their country analysis, followed by a 10 minutes Q&A. The group will decide whether all of its members will participate in the presentation and Q&A, or only their representative(s). The group may want to do a rehearsal presentation to make sure it does not exceed the 15 minutes limit.

The main criterion in evaluating the country report and presentation will be the extent to which the group uses relevant course materials as a basis for identifying and analyzing the key issues and problems facing the selected country.

## **Group Project:**

Each group will select a leading multinational firm of your choice that is based or headquartered in one of the five AJCKS countries (Australia, Japan, China, Korea, and Singapore) and apply what is learned from this course to prepare a project report (text no longer than 15 pages, double-spacing, 12-point font) that contains the following information:

1. Background about the firm and its industry.
2. Scope and extent of the firm's international operations.
3. Assessment of the firm's current business performance relative to both domestic and global competitors.
4. Assessment of the firm's competitive advantages and dis-advantages relative to other leading firms in the industry, both domestically and globally.
5. Analysis of how the firm has been successful or un-successful in leveraging the location advantages of the country in which it resides.
6. Recommendations for strengthening the firm's global competitiveness over the next five years.
7. Detailed description and justification for each recommended action.

Include an executive summary at the beginning and an appendix at the end of the report that provides a complete listing of the sources of information (e.g., books, articles, organizations, web sites, etc.) used for the project investigation.

The project report is due at the beginning of the class on the scheduled date of presentation.

Each group will have 15 minutes to present a summary of their project report. It will decide if all of its members will participate in the presentation, or only its representative(s). The group may want to do a rehearsal presentation to make sure it does not exceed the 15 minutes limit.

The main criterion in evaluating the project report and presentation will be the extent to which the group uses relevant course materials as a basis for identifying and analyzing the critical issues and problems facing the company.

Each group will submit a one-page (single-spaced) project proposal on September 17, 2008. The proposal should identify the multinational firm chosen for the project, some background description of the company and why it is chosen, a project timetable with specific milestones, and a listing of intended sources of information.

### **Group Management:**

Students will need to finalize their group formation by the end of the first week of class and select a representative as their group's contact person for the instructor. The representative will email the instructor before the third class meeting (September 8) to provide the following information:

1. A name for the group for identification purposes (e.g., ABC Consulting).
2. A listing of all group members' names and their email addresses.
3. Identification of the topic and AJCKS country that the group has selected for the country report.

All group members are expected to contribute equally to completing the group assignments. It is primarily your responsibility to eliminate free-riding. If you think that there is a problem in your group, you should first try to resolve it within the group. However, if this does not work, please discuss the matter with me in a timely manner so that corrective actions can be taken.

### **Exams:**

Both the mid-term and final will be in-class, closed-book, closed-notes exams; and no computers will be permitted. They may include true/false, multiple-choice, and/or short-answer questions. The exams will cover materials from the readings and all other information provided in class, including lectures, videos, case discussions, and class presentations. The final exam is scheduled for the last day of class and will only include material covered since the mid-term.

### **Class Participation:**

As part of the class participation evaluation, the instructor will ask for volunteers and occasionally make "lucky calls" on the students to answer specific questions about the assigned readings, lead/summarize/integrate case discussion, and/or take part in certain activities (e.g., pop quizzes, class exercises) that contribute to learning.

To facilitate my evaluation and recording of your class participation (including attendance), please fill out the attached student background form and return it to me with a recent picture by the third class meeting (September 8). Zero credit on class participation will be given to students who did not submit the form. Also, please select a permanent seat by the third day of class and use it for the remainder of the semester.

### **Attendance:**

Students are expected to attend all classes and have read all the assigned readings before class. If you have to miss a class for a valid reason, please email me beforehand to avoid penalty on your class participation grade. Students who have more than three non-approved absences will receive a penalty of half-a-grade reduction (e.g., from A- to B+).

### **Evaluation Criteria:**

Three main criteria will be used in evaluating your performance on the assignments:

- a. Your knowledge and understanding of the materials covered in class and the assigned readings.
- b. Your synthesis of these materials.
- c. Your ability to apply the materials to analyze and solve problems.

Each criterion is equally important. It is not possible to use information unless it has been acquired and understood. **This means that you need to read the assigned readings and attend class.** It is not likely that synthesis can be achieved with memorization, since the ability to perceive relationships depends on understanding. Finally, if we are to enhance your managerial effectiveness it will be necessary to focus upon how the information can be applied to solve real-life problems.

All assignments are to be completed on schedule. No late submissions will be accepted.

### **Course Etiquette:**

1. Be on time and don't leave early.
2. Do not disrupt the class with side conversations during class.
3. Be respectful of others in the class. Listen and give attention when someone talks.
4. All cell phones, messaging devices, and pagers should be turned off during class.
5. Please do not leave and re-enter the room during class except for emergency.
6. Using laptops in the classroom is a privilege, not a right. Laptops are to be used for class activities only. If you are seen more than once doing non-class related activities with your laptop (e.g., net surfing, emailing) during class you lose laptop privileges for the remainder of the course, or take a penalty of half-a-grade reduction (e.g., from A- to B+).

Repeated violations of items 1-5 above may hurt your class participation grade at the instructor's discretion.

**Enrollment in this course indicates that you have read and accepted the terms stated above in this course outline.**

## Syllabus

### Date    Topic, Activity, and Reading Assignment

9/1      Introduction to course  
Globalization and international business

Readings:

CKR-1: What is International Business?

CKR-2: Globalization of markets ...

9/3      Global trends, opportunities, and challenges

Readings:

FDR-1 to 4: How the world became flat

9/8      Key players in the changing world economy  
The post-American, flattened world

Readings:

CKR-3: Organizational participants ...

FDR-5 to 9: America and the flat world

9/10     Asia-Pacific and the world economy

Readings:

FDR-10: Developing countries and the flat world

9/15     \*\* Public Holiday \*\*

9/17     Economic foundations of international business I  
International trade and economic development

Readings:

CKR-4: Theories of international trade and investment

CKR-13: Exporting and countertrade

9/22     Economic foundations of international business II  
Group case presentations and discussions (two teams maximum)

9/24     Cultural foundations of international business I  
Cultural differences as threats or opportunities

Readings:

CKR-5: The cultural environment ...

CKR-17: Marketing in the global firm

9/29     Cultural foundations of international business II  
Group case presentations and discussions (two teams maximum)

10/1     \*\* Public Holiday \*\*

- 10/6 Legal and political foundations of international business I  
Country risk assessment
- Readings:  
CKR-6: Political and legal systems ...  
FDR-15,16: Geopolitics and the flat world
- 10/8 Legal and political foundations of international business II  
Group case presentations and discussions (two teams maximum)
- 10/13 \*\* No Class; Study Week \*\*
- 10/15 \*\* No Class; Study Week \*\*
- 10/20 MIDTERM EXAM
- 10/22 Nation-state and international business I  
Government role, national policy, and country competitiveness
- Readings:  
CKR-7: Government intervention in international business  
FDR-15,16: Geopolitics and the flat world
- 10/27 Nation-state and international business II  
Group case presentations and discussions (two teams maximum)
- 10/29 Technological foundations of international business I  
International monetary and exchange rate systems
- Readings:  
CKR-10: The international monetary and financial environment  
FDR-15,16: Geopolitics and the flat world
- 11/3 Technological foundations of international business II  
Group case presentations and discussions (two teams maximum)
- 11/5 Regional integration and global competition  
Collaborative ventures and strategic alliances
- Readings:  
CKR-8: Regional economic integration I  
CKR-14: Foreign direct investment and collaborative ventures
- 11/10 Regional integration and global competition II  
Group case presentations and discussions (two teams maximum)
- 11/12 Emerging markets and transitional economies  
International ethics and social responsibility
- Readings:  
CKR-9: Understanding emerging markets I  
FDR-10: Developing countries and the flat world
- 11/17 Emerging markets and transitional economies II  
Group case presentations and discussions (two teams maximum)

11/19 GROUP PROJECT PRESENTATIONS

11/24 GROUP PROJECT PRESENTATIONS

11/26 FINAL EXAM

## About the Instructor

*Joseph Cheng* is Professor of International Business and Management and Director of the Illinois Global Business Initiative (IGBI) in the Department of Business Administration at the University of Illinois, Urbana-Champaign. During the 2008-09 academic year, he is a Visiting Professor at the University of Hong Kong Business School on leave from the University of Illinois.

Professor Cheng received his Ph.D. in Business Administration from the University of Michigan in 1977 and a B.S. (with honors) in Industrial Engineering in 1974 from the University of Wisconsin-Madison. From 1999 to 2006, he was the director of the University of Illinois CIBER (Center for International Business Education and Research), a national resource center funded by the U.S. Department of Education. Professor Cheng was an elected officer of the Academy of Management's International Management Division during 1999-2004, serving in various leadership roles including pre-conference chair, program chair, and division chair.

Professor Cheng's current research interests include strategy and organization design for transnational firms, global competition and multinational management, foreign R&D investment, cultural influence on business practice, and organizational change and innovation. His work has been supported by funding agencies both in the U.S. and abroad. Since 1990, he has received more than US\$2 million external funding, including two multi-year Title VI grants from the US Department of Education, and a CIMS grant from the US National Science Foundation. He has published extensively in leading US and European academic journals, including *Academy of Management Journal*, *Administrative Science Quarterly*, *Advances in International Management*, *IEEE Transactions on Engineering Management*, *Journal of International Business Studies*, *Journal of Management*, *Management International Review*, *Management Science*, and *Organization Studies*, among others.

Professor Cheng has received recognitions for teaching, research, and professional service excellence, including an Outstanding Elective Professor Award from the Ohio State University MBA Programs (full-time, evening, and weekend), a Best Paper Award from the Organization and Management Theory Division of the Academy of Management, and a Distinguished Service Award from the Academy's International Management Division. He has been the lead Co-Editor of the Elsevier/JAI research series, *Advances in International Management* since 1996; and currently serves or has served on the editorial review boards of *Management International Review*, *Journal of World Business*, *Organizational Dynamics*, *Journal of International Management*, and *Journal of Engineering and Technology Management*. Most recently, he was appointed Senior Editorial Consultant to the *European Journal of International Management*, and also a Consulting Editor for the *Journal of International Business Studies*, the flagship publication of the Academy of International Business.

**IBUSI0044 International Business**  
**STUDENT BACKGROUND AND INPUT FORM**

(Please return to instructor at the third class meeting with a recent photo attached)

Name: \_\_\_\_\_

Phone: \_\_\_\_\_

Home Country: \_\_\_\_\_

E-mail: \_\_\_\_\_

Previous School(s) and Diploma(s)/Degree(s) Received (indicate year diploma/degree granted):

---

---

Work Experiences during Last Three Years:

---

---

---

Career Objectives for Next Five Years:

---

---

---

Expectations from the Course:

---

---

---

Additional Information Professor Should Know about You:

---

---