

Bus 313 (Spring 2020)
Economic and Financial Environment of Global Business

Class Hours: Wednesday and Friday 10:30 to 11:45 am
Class Location: BusAd G103

Instructor: Hyeonjo Kim
Office Hours: Friday 12:00 to 1:00 pm, or by appointment
Office: BusAd B202
E-mail: hyeonjo@hawaii.edu

Text Book: James Gerber, International Economics, (7th Edition)

Class Notes: Lecture notes and readings will be posted in advance on Laulima, as will web links to videos and articles referenced in class. You are encouraged to download lecture notes and bring them to class, to facilitate note-taking and comprehension of the material presented. This syllabus can be downloaded from Laulima as well.

Prerequisites: ECON 130 and ECON 131 or consent

Course Goals and Objectives:

- Build the economic, financial and analytical skills that will help you be a better business decision maker in the global economy.
- Develop an understanding for the key economic drivers, inter-relationships and institutions existing in international business and trade.
- Identify market opportunities and trends through independent research of markets, trade flows, financial data and other economic information.
- Analyze world financial and capital markets (e.g. efficient methods to fund a business enterprise, hedge forex and interest rate risk, make investments, etc.)

Course Philosophy:

- Course is taught via lecture and interactive, in-class exercises. Students must prepare for and actively participate in all of these activities. Assignments are developed to get students involved and learn from the experience.
- Focus on business applications (i.e. case studies, problem solving, trading financial instruments)
- Financial and Capital Markets related material will be added to enhance the international economics focus of the textbook.
- Consistent with the mission and academic focus of the UH CBA, the international emphasis of this course will be on the Asia-Pacific region.

Grading:

The following factors will measure students' progress through the course.

Assignments: In-class exercises and short homework assignments will be done in both an individual and group format. Most assignments will be completed in class.

Examinations: There will be two exams: a midterm and a final exam. (See schedule below for dates.) Each exam will consist of a combination of multiple choices, analytical problems, and short essays. The exams are closed-book and closed-note. You are allowed to bring in at most 1 single page of letter size cheat sheet (could be single or double sided, hand written or typed as long as you can read with your naked eyes.) The cheat sheet will neither be graded nor be counted as your answers to the exam questions. Other than a calculator, no computer, cell phone, tablet, or any other computing or communication devices are allowed in the exam. The calculation in the exam can also be done by hand. Students must have a written medical excuse to be absent from an exam. The make-up exams are generally harder than the regular exam.

Investment Paper: Each student will undertake a study on a specific industry in a country located in the Asia-Pacific region. The conclusion of your study is a recommendation on whether or not to make an equity investment in your selected industry. It is important to incorporate theories and concepts (e.g. comparative advantage, economies of scale, risk, etc.) learned in the class. Maximum length of 2 typewritten pages, double-spaced (charts, graphs and appendixes don't count in 2 page limit).

Country Presentation: Groups (5 students per group) will present a 15-minute oral report on a country in the Asia-Pacific region. The presentation should cover the economic environment/health of the country and must reach a conclusion on the country's appropriate debt credit rating (like a Moody's or S&P rating). Groups will turn in a one page written recommendation on the country's credit rating along with a copy of the presentation material. Note: be specific (balance of payments, trade surplus/deficit, inflation trends, govt. policies etc.) with reasons for your suggested rating.

Class Participation: Students are strongly encouraged to actively participate in class discussions and exercises. Note: quality (not just quantity) of participation is important.

Your course grade will be based on a reasonable curve over the weighted sum of grades accumulated on the assignments, projects and exams. The weighting scheme is:

Assignments	20%
Midterm Exam	25%
Final Exam	25%
Investment Paper	10%
Country Presentation	20%

The guidelines for letter grades are as follows. Plus or minus grades will be used to distinguish performance within letter grades.

A = demonstrates outstanding mastery of topics and outstanding ability to apply / extend concepts;

B = demonstrates above-average mastery of topics and ability to apply them;

C = demonstrates mastery of topics and ability to apply them;

D = inadequate demonstration of topic mastery and application;

F = grossly inadequate demonstration of topic mastery and applications.

Attendance Policy:

Attendance is not taken, however, there are no make-ups for missed in-class assignments. Experience indicates that there is a strong and positive correlation between attendance and exam scores. Students are also encouraged to come to the office hours.

Administration:

Students with Disabilities: Students with disabilities are encouraged to contact me and the KOKUA Program for accommodations. For more information about the KOKUA Program, visit <http://www.hawaii.edu/kokua/>. Any student with special needs should bring this to the attention of the instructor as soon as possible, but not later than the end of the second week of class.

Academic Honesty: Students are expected to be responsible in relations with other members of the UH Manoa community, respect the interests of the institution, and follow the Student Code of Conduct, which is available at: http://www.studentaffairs.manoa.hawaii.edu/policies/conduct_code/. Violations of this code include matters of alleged academic dishonesty, such as cheating and plagiarism. According to the Code of Conduct:

The term "cheating" includes, but is not limited to: (1) use of any unauthorized assistance in taking quizzes, tests, or examinations; (2) use of sources beyond those authorized by the instructor in writing papers, preparing reports, solving problems, or carrying out other assignments; (3) the acquisition, without permission, of tests or other academic material belonging to a member of the UH faculty, staff or student; and (4) engaging in any behavior specifically prohibited by a faculty member in the course syllabus or class discussion.

The term "plagiarism" includes, but is not limited to, the use, by paraphrase or direct quotation, of the published or unpublished work of another person without full and clear acknowledgement. It also includes the unacknowledged use of materials prepared by another person or agency engaged in the selling of term papers or other academic materials.

All incidents will be handled in accordance with the UH Student Code of Conduct.

Schedule of Events:

Below is the **tentative** schedule of events, which is subject to changes depending on progress made during the course. Reading assignments are from the Gerber text and additional handouts provided in class. You should read the material prior to class so as to maximize the usefulness of the classroom time. I will be asking questions in class.

Session	Date	Day	Topic	Pre-reading Assignment	Notes
1	Jan 15	Wed	Course introduction	Gerber Ch 1	
2	Jan 17	Fri	International institutions	Gerber Ch 2	
3	Jan 22	Wed	International institutions	Gerber Ch 2	
4	Jan 24	Fri	International debt capital markets	Handout	
5	Jan 29	Wed	International debt capital markets	Handout	
6	Jan 31	Fri	Comparative advantage	Gerber Ch 3	Form Country Presentation groups
7	Feb 5	Wed	Comparative advantage	Gerber Ch 3	
8	Feb 7	Fri	Endowments	Gerber Ch 4	
9	Feb 12	Wed	Beyond comparative advantage	Gerber Ch 5	
10	Feb 14	Fri	Beyond comparative advantage	Gerber Ch 5	
11	Feb 19	Wed	Tariffs and quotas	Gerber Ch 6	Country Presentation outline due
12	Feb 21	Fri	Tariffs and quotas	Gerber Ch 6	
13	Feb 26	Wed	Commercial policy	Gerber Ch 7	
14	Feb 28	Fri	Summary and Review		Midterm Review
15	Mar 4	Wed	Midterm Exam		Covers all material through Feb 28th
16	Mar 6	Fri	Balance of payments	Gerber Ch 9	
17	Mar 11	Wed	Balance of payments	Gerber Ch 9	Investment Paper Topic/Outline due
	Mar 13	Fri	Open economy	Gerber Ch 11	
	Mar 18	Wed	Spring Break		
18	Mar 20	Fri	Spring Break		
19	Mar 25	Wed	Open economy	Gerber Ch 11	
20	Mar 27	Fri	Financial crisis	Gerber Ch 12	
21	Apr 1	Wed	Exchange rates and markets	Gerber Ch 10	
22	Apr 3	Fri	Exchange rates and markets	Gerber Ch 10	
23	Apr 8	Wed	Exchange rates and markets	Gerber Ch 10	
	Apr 10	Fri	Holiday: Good Friday		Country Report due: Apr 13th
24	Apr 15	Wed	In class Country Presentations		
25	Apr 17	Fri	In class Country Presentations		
26	Apr 22	Wed	East Asian growth	Gerber Ch 16	
27	Apr 24	Fri	China and India	Gerber Ch 17	
28	Apr 29	Wed	Risk Analysis and Hedging	Handout	
29	May 1	Fri	Economic Integration	Handout	Investment Paper due
30	May 6	Wed	Summary and Review		Final Review
	May 8	Fri	Study Day (No class)		
	May 15	Fri	Final Exam		Covers all material since Midterm Exam