

ECON3370: BUSINESS ENVIRONMENT OF CHINA

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Office hours: Wed 9:30am-11:30pm, and by appointment

Course Description

This course develops, from an economic perspective, an understanding of the basic conditions of the Chinese economy and Chinese society, the underlying forces behind the Chinese economic development, the political architecture of China, as well as some key aspects of China's consumer market. We also examine the key challenges and opportunities that complex business environment has provided for Chinese firms, including state-owned enterprises, private firms and foreign invested firms.

Learning Outcomes:

Upon completion of the course, students

1. Will be able to understand the economic, political and social background of China's economic reform.
2. Will be able to compare, contrast and evaluate the strengths and weaknesses of China's business environment.
3. Will be able to apply the theories introduced in class to the analysis of business environment in China.

Measurement of Learning Outcomes

1. Students' knowledge of China's economic reform and business environment will be measured by class discussion and final exam. (LO1, LO2)
2. Students' ability to apply the economic theories on China's business environment will be measured by class discussion and a group project. (LO3)

Indicative Contents

Part I. Introduction to China's Economic Development

- Key reforms
- Achievements and challenges

Part II. Government

- Political structure
- Legal environment

Part III. Firms and Markets

- State owned enterprises
- Private firms
- Consumer markets

Part IV. Globalization

- International trade
- Foreign direct investment

Assessment

Class attendance and discussion	10%
Group project	30%
<u>Final exam</u>	<u>60%</u>
Total	100%

Important: The final exam will be centrally arranged in the exam period (Dec 6 – Dec 22). No substitute exam will be offered.

Required Readings

There is no required textbook for this course. Reading materials can be downloaded and printed from the course web.

Supplementary Readings

- Arthur R. Kroeber (2016) *China's Economy: What Everyone Needs to Know*, Oxford University Press.
- World Bank, and the Development Research Center of the State Council (2013) *China 2030: Building a Modern, Harmonious, and Creative Society*, The World Bank.

- Barry Naughton (2007) *The Chinese Economy: Transition and Growth*, The MIT Press.

Group Project

Working on a group basis (2-3 persons), you are required to write a research paper on a topic from the following list. If you have your own topic, please feel free to discuss with me.

- A case study of foreign or Hong Kong investment in China.

You can choose either a sector (banking, for example) or a company and examine the trend, motivation, and strategies of their FDI in China. Why is it important to study the case? What will be the future prospects? What are your insightful suggestions or recommendations for future direction?

- Trade or FDI between a foreign country and China.

You can provide a detail study of trade or FDI between a foreign country (or a region) and China: the patterns, trade relationships, sectoral and geographic distribution of FDI, etc. In what way do the FDI pattern and strategies from that country (region) differ from those of other countries? You may also include in your research a case study of a multinational company from this country.

The essay should be between 15 and 40 pages in length (including tables, figures, and references). To ensure consistency, the main text of the essay should comply with the following format:

- Font: Times New Roman
- Font size: 12 point
- Margin: 1 inch all around
- Spacing: 0pt before, 0pt after, double line spacing

You are required to submit a softcopy of the paper via VeriGuide. The deadline for submission is **December 11, 2017**. Late submission will have 20% of the mark deducted per 24 hour period or portion of a 24-hour period that it is late. An essay submitted more than 4 days (96 hours) after the due time will receive a zero mark.

Academic Integrity

Academic dishonesty is a serious offense which may result in suspension or expulsion from the university. All relevant university policies regarding academic integrity must be followed.