



FLOR BUSN 3374 International Economics CAPA FLORENCE PROGRAM

Course Description

The International Economics module provides an understanding of the key economic issues in the global business environment. The course provides an understanding of how global businesses are impacted by real world developments in economics, politics and finance. Due to the dynamic nature of global business, the course coverage is updated periodically to include current real world evidence as well as recent academic and empirical findings. The five broad topics covered in the course are: Globalisation, Country Differences, Cross-Border Trade & Investment, the Global Monetary System, and Competing in a Global Market Place. An overview of these five topics is provided below.

Globalization: The course starts with understanding the historical context of globalisation which is crucial for developing insights about the state of globalisation today. This topic discusses the drivers and importance of globalisation, the emergence of the Bretton Woods global institutions in the post-War period, the state of the globalisation debate and the impact of globalisation on developed and developing countries.

Country Differences: This topic provides an introduction to different political and economic systems and the determinants of economic development. It looks at the transition from socialist to capitalist economies after the collapse of the Soviet Union and the challenges faced by countries in managing this economic transition. It examines the key issues in economic development and the rise of developing economies in Asia, Latin America, Eastern Europe and Africa. It also relates these macroeconomic conditions to the different ways of doing business around the world.

Cross-Border Trade & Investment: The third topic reviews international trade and investment flows – portfolio and foreign direct investment – in the globalized context. It examines the theoretical underpinnings of capital and trade movements, providing country case studies to illustrate the supply-demand factors affecting these flows. The topic also places these cross-border flows in the context of economic integration – for example, the European Union, NAFTA, Mercosur, World Trade Organisation, and the recent developments towards free trade pacts between Asia-Pacific, Europe and the Americas.

Global Monetary System: Starting with the Bretton Woods institutions like the International Monetary Fund, the World Bank and other multilateral institutions, the topic provides an understanding of the global foreign exchange markets and the international monetary system. These institutions provide the backbone and the regulatory framework for international economics; the topic develops an understanding of their operations, management and challenges.

Competing in a Global Market Place: The final topic takes the accumulated understanding of diverse economic and political configurations to investigate the opportunities and risks businesses face when participating in the global marketplace. The discussions include import-export and investment strategies, offshoring production, and management of human resources and localized strategies to compete effectively.

Course Aims

The course will provide the tools to examine critically the current global economic landscape. There will be an emphasis on the interaction between international economics and business through discussions of current economic and political development.

Requirements and Prerequisites

Students from a variety of backgrounds and interests with prior coursework in business and economics are encouraged to take this course.

Learning Outcomes

- a. Gain a broad understanding of the key issues in international economics.
- b. Develop an understanding of the political and economic context within which international economics and business operate.
- c. Apply the various theoretical aspects of the principles of business and economics in an international context.
- d. Analyze the main economic development issues faced by developing countries in an increasingly global economy.
- e. Recognize the linkages between political, economic and financial developments and their impact on international business.
- f. Gain a good working knowledge of the operations and key issues surrounding international capital and trade flows, foreign direct investment, international capital markets and institutions.

Developmental Outcomes

Students will develop the following skills during this course:

- a. Problem analysis
- b. Developing good reading habits
- c. Critical thinking
- d. Working independently and as part of a team
- e. Personal reflection

Students should also demonstrate: responsibility & accountability, independence & interdependence, goal orientation, self-confidence, resilience and appreciation of differences.

Class methodology

This class will be participative and will require students to contribute individually and as part of a team. The course content and delivery will create a framework where students reflect critically on the weekly discussion topics. The students will be expected to devote an hour per day keeping up with the current issues in international finance. Expected reading sources should include The Economist, Financial Times and The New York Times.

The teaching and learning methods will be a blend of the following:

- a. Lectures
- b. Reflections and observations
- c. Readings on current topics
- e. Class discussions
- f. Students presentations and/or research paper.

Mid-Term & Final Exams

The International Economics module may include quantitative as well as qualitative assessments.

The mid-term and final exams may include a combination of multiple-choice and/or short essay questions on general topics covered in class up to that point. The final exam will be cumulative and cover the entire course material, with emphasis on essay questions and the analysis of current events. There will also be a final research paper.

Research Paper Guidelines: Students will select any one of the topics that are covered in the course. There are two options for approaching the paper.

The first option is to focus on specific topic and analyze in depth. The aim is to identify a small aspect of the theoretical discussion and focus sharply on it. The lectures' topics/chapters are rather broad and there is a necessity to narrow down the research topic significantly.

The next step is to identify a case study or identify sufficient data that fits the selected topic. The cases can be recent economic/financial events, but they can also be events from a historical perspective.

The final step will be to provide a thorough analysis. How does the case study or evidence fit into the theoretical discussion? Are the facts consistent with the theory? Explain why (or why not). What lessons did you learn from this project? This analysis will carry the highest weight for this assignment.

The second option is to apply the acquired knowledge and analytical tools to evaluate a business decision of whether to enter or not in a certain market for a particular product. Again, a sound analytical analysis supported by empirical facts carries the highest weight in the assignment.

Projects will be presented to the rest of the class in the last week of the course. Students will provide status updates to the lecturer, in order to receive guidance and feedback.

Class Participation: The lecturer may distribute readings from magazines such as The Economist, The Financial Times, etc. weekly via e-mail and there will be a discussion of current events at the beginning of each class. At the end of each lecture, the lecturer will deliver some "thought questions", about the topics presented. This will also

be discussed at the beginning of each class. Questions about the topics presented in each lecture are, of course, welcomed and graded as class participation.

Assessment/Grading Policy

Students must complete all required components for this course by the established deadlines. Failure to do so will result in a reduction of the course grade and may result in a grade of F for the course.

The final grade will be the aggregate of the various assessments and be weighted as follows:

• <u>Class participation/Small group discussion</u>	10%
• <u>Mid-term exam</u>	20%
• <u>Research Paper & presentation</u>	30%
• <u>Final Exam</u>	40%

Overall grade	100%

Final Grade Breakdown

TASK	PERCENTAGE	STUDENT LEARNING OUTCOMES (SLOs)
Group discussion/class participation	10%	All
Mid-term exam	20%	a, b, c, d
Research paper & presentation	30%	All
Final exam	40%	All

DESCRIPTOR	ALPHA	NUMERIC	GPA	REQUIREMENT/EXPECTATION
Outstanding (High Distinction)	A	93+	4.0	Maximum grade: In addition to description for grade "A-", the student shows detailed understanding of materials about which he or she can show independent analytical ability. This means the ability to question an issue from different perspectives and evaluate responses in an objective manner.
Excellent (Distinction)	A-	90 - 92	3.7	Student shows understanding of literature beyond the textbook/class hand-outs/class notes, and the work shows a high level of independent thought, presents informed and insightful discussion and demonstrates a well-developed capacity for evaluation.
Very good (High Credit)	B+	87 - 89	3.3	Shows evidence of a capacity to generalise from the taught content, or the material in literature, or from class lectures in an informed manner. Also, the work demonstrates a capacity to integrate personal reflection into the discussion and an appreciation of a range of different perspectives.
Good (Credit)	B	83 - 86	3.0	The work is well organised and contains coherent or logical argumentation and presentation.
Good (Credit)	B-	80 - 82	2.7	Student shows understanding of literature beyond the textbook and/or notes, and, there is evidence of additional reading.
Average (Good Pass)	C+	77-79	2.3	The work demonstrates a capacity to integrate research into the discussion and a critical appreciation of a range of theoretical perspectives. Also, the work demonstrates a clear understanding of the question and its theoretical implications and demonstrates evidence of additional reading.
Adequate (Pass)	C	73 - 76	2.0	Shows clear understanding and some insight into the material in the textbook and notes, but not beyond. A deficiency in understanding the material may be compensated by evidence of independent thought and effort related to the subject matter.
Below Average (Borderline Pass)	C-	70-72	1.7	Shows some understanding of the material in the textbook and notes. A deficiency in any of the above may be compensated by evidence of independent thought related to the subject matter.
Inadequate (Borderline Fail)	D+	67 - 69	1.3	Fails to show a clear understanding or much insight into the material in the textbook and notes

Poor (Fail)	D	60 - 66	0.7 - 1.0	Besides the above for D+, student has not shown interest or engagement in the class work or study.
Poor (Fail)	F	<60	0	Shows little or no understanding of any of the material
Incomplete	I			Please see CAPA policy in the Faculty Handbook.

Dress Code

No requirements.

Course Materials

The main textbook for the course is:

- Global Business Today, Hill, Charles W.L., Hernandez-Requejo, William (McGraw Hill, 7th Global edition, 2011).

where newer editions or electronic versions will also be sufficient. Students are **required** to read the chapters covered in class.

Additionally, the course will rely on current events to discuss the subject. Slides will be used for each lecture and will be distributed after class. Students should also read newspapers and magazines such as the Financial Times, the Economist and the New York Times for each class to discuss current events in light of the topics of the course. The instructor will distribute some articles from magazines to students during the week, which will be discussed during the lecture.

Weekly Course Schedule

WEEK 1	
Lesson # 1	
Meet	
Venue	
In-class activity	Introduction. Review of course guidelines. Globalization: Institutions, Drivers, Debate.
Readings	Chapter 1

WEEK 2	
Lesson #2	
Meet	
Venue	
In-class activity	Country Differences. National Differences in Political Economy, Determinants of Economic Development. Transition States..
Assignments	Discussion of thought questions from Lecture 1.
Readings	Chapter 2-4.

WEEK 3	
Lesson #3	
Meet	
Venue	
In-class activity	Culture. Perspectives (social, language, education, ethics). Managing Cultural Differences from International Businesses. Ethical Dilemmas.
Assignments	Discussion of thought questions from Lecture 2.
Readings	Chapter 2-4.

WEEK 4	
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Lesson #4	
Meet	
Venue	
In-class activity	Cross Border Trade and Investment (Part 1). International Trade Theories. Political Economy of International Trade. Trade Policy.
Assignments	Discussion of thought questions from Lecture 3.
Readings	Chapters 5-6.

WEEK 5

Lesson #5	
Meet	
Venue	
In-class activity	Cross Border Trade and Investment (Part 2). Foreign Direct Investment. Political Ideology. Costs and benefits. Government policy.
Assignments	Discussion of thought questions from Lecture 4.
Readings	Chapters 7

WEEK 6

Mid Term	
Meet	
Venue	
In-class activity	Mid Term

WEEK 7

Break	
Notes	This week is the break. As the class progresses, we will discuss a few options for out of class activities.

WEEK 8

Lesson #6	
Meet	
Venue	
In-class activity	Cross Border Trade and Investment (Part 3). Regional and Global Integration.
Assignments	Discussion of thought questions from Lecture 5.
Readings	Chapters 8

WEEK 9

Lesson #7	
Meet	
Venue	
In-class activity	Global Monetary System. Foreign Exchange Market. Historical Evolution of the International Monetary System. International Financial Institutions.
Assignments	Discussion of thought questions from Lecture 6.
Readings	Chapters 9-10.

WEEK 10	
Lesson #8	
Meet	
Venue	
In-class activity	Competing in the Global Marketplace (Part 1). Strategies for Businesses. Entering Foreign markets. Research Paper Workshop.
Assignments	Discussion of thought questions from Lecture 7.
Readings	Chapters 11-16 (overview).

WEEK 11	
Lesson #9	
Meet	
Venue	
In-class activity	Competing in the Global Marketplace (Part 2). Global Production and offshoring. Counter-trade. Research Paper Workshop.
Assignments	Discussion of thought questions from Lecture 8.
Readings	Chapters 11-16 (overview).

WEEK 12	
Lesson #10	
Meet	
Venue	
In-class activity	Competing in the Global Marketplace (Part 2). Global Marketing and R&D. Global Human Resource Management. Review Session and Research Paper Workshop.
Assignments	Discussion of thought questions from Lecture 9.

WEEK 13	
Final Exam	
Meet	
Venue	
In-class activity	Final Exam

WEEK 14	
Students' Presentation	
Meet	
Venue	
In-class activity	Research Paper presentations and discussion.

Attendance, Participation & Student Responsibilities

Refer to the *Academic Handbook* for a complete outline of all academic policies. This page contains a summary only.

Attendance

CAPA has a mandatory attendance policy. Students are also expected to participate actively and critically in class discussions, and the participation portion of the class will be graded accordingly. Students must read assignments BEFORE the class, and come in on time. Attendance is mandatory and is taken at the beginning of every class. Unauthorized absence from class will result in a reduction of the final grade and ultimately in a F for the course.

Unexcused absences

The instructor for the course may lower the student's participation grade based on the number of absences. For custom programs, some will follow our absence policy (like when CAPA sponsors visa) and some will not; see academic director for details.

Excused absences

Any student seeking to be excused from class on the ground of a verifiable illness (i.e. doctor's note) or a family emergency, must email the DAA (greverdito@capa.org) in advance of their class. The CAPA staff will then email the relevant Faculty member. Note that calling the CAPA Center (055-2466439) is acceptable only if you do not temporarily have access to the internet. An e-mail is still required as quickly as you can get access to the internet again. If a doctor's note is written to excuse a student from class, the student cannot use that time for personal travel. Please note: excused absences will NOT be granted to accommodate visiting friends or family. Students absent due to extenuating circumstances that have been approved by the Director of Academic Affairs in advance of the missed class, including family emergency or verifiable health-related incapacity, remain responsible for meeting all class requirements. Faculty shall offer such students reasonable assistance in making up missed work (e.g. share handouts).

Class Participation

Participation is a vital part of your grade: students are expected to participate orally in seminars and in online forums and discussions in a critical and evaluative manner; to interact with the faculty and fellow students with respect and tolerance; and to actively engage in discussion. Derogatory or inflammatory comments about the cultures, perspectives or attitudes of others in the class will not be tolerated.

Academic Integrity

The faculty expects from you, the student, a high level of responsibility and academic honesty. Because the value of an academic course depends upon the absolute integrity of the work done by the student, it is imperative that a student demonstrates a high standard of individual honor in his or her scholastic work and class behavior. Plagiarism and cheating will result in dismissal from the program. See the Handbook of CAPA Academic Policies for more information and resources on plagiarism.

Use of electronic equipment in class

All devices such as laptops, I-pods, I-pads, netbooks, notebooks and tablets, smartphones, cell phones, etc. are **NOT** allowed unless you have express permission from the faculty or you have been instructed to do so. If you require an accommodation to use any type of electronic equipment, inform the Director of Academic Affairs or the Resident Director at the beginning of Term.

Late Submission

Late submission of papers due, projects, journal entries, pieces of homework and portfolios is only permitted with prior approval. A request must be made to the relevant Faculty member no later than two days prior to the due date. Late submission without prior approval will result in a full alpha grade penalty. In either case, work cannot be submitted after feedback has been provided to the rest of the class on the relevant assessment or one week after the due date whichever comes first, after which point a grade of F will be given for the assessment.

Behavior during Examinations

During examinations, you must do your own work. Unless specifically instructed by the lecturer or instructor, talking during an exam is not permitted, nor may you compare papers, copy from others, or collaborate in any way. Any failure to abide by examination rules will result in failure of the exam, and may lead to failure of the course and disciplinary action