

<b>Subject Code</b>	AF5625
<b>Subject Title</b>	Chinese Economy and Business Strategies
<b>Credit Value</b>	3
<b>Level</b>	5
<b>Normal Duration</b>	One Semester
<b>Pre-requisite / Co-requisite/ Exclusion</b>	None
<b>Role and Purposes</b>	This subject provides (1) basic knowledge in the macro- and micro- aspects of Chinese economy including managerial economics, industrial organization and business strategy; (2) systematic knowledge and economic reasoning of the development, reform and operation of the Chinese economy. It contributes to the achievement of China Business Studies program outcomes by enabling students to <u>evaluate developments in the Chinese business environment and their impact on both domestic and foreign business organizations</u> (MSc in CBS Outcome 1); and to identify and analyse ethical issues related to doing business in China. (MSc in CBS Outcome2).
<b>Subject Learning Outcomes</b>	Upon completion of the subject, students will be able to: <ul style="list-style-type: none"> <li>a. Be equipped with microeconomic and macroeconomic principles to analyze economic and business problems in the global market.</li> <li>b. Apply theoretical tools to evaluate the business decisions taken with respect to the changing business environment in China, with due consideration on ethical issue in doing business.</li> <li>c. Describe the development and operation of the Chinese economy and analyze the effects of government policies on Chinese business environment.</li> </ul>
<b>Subject Synopsis/ Indicative Syllabus</b>	<p><b>Market Demand</b> Law of Demand, Determinants of Market Demand, Elasticity of Demand.</p> <p><b>Production and costs</b> Law of Supply; Elasticity of Supply; Costs and their use on decision making.</p> <p><b>Market Structure</b> Monopoly; Oligopoly and game theory; Industrial Structure. Applications in China.</p> <p><b>Pricing Strategies</b> Standard Pricing Strategies; Extracting Consumer Surplus; Pricing for Special Cost and Demand Structures; Pricing in Markets with Intense Price Competition; Applications in China.</p>

	<p><b>Externalities and Public Goods</b> Externality; How externalities affect resource efficiency; Government Interventions. Applications in China.</p> <p><b>China’s Economic Growth</b> China’s economic growth miracle; Economic growth theories; Sustainability of China’s economic growth.</p> <p><b>Government Spending and Fiscal Policy</b> Theory of government spending; Short-run and long-run effects of fiscal policy; Fiscal policy by Chinese government.</p> <p><b>Money Creation and Monetary Policy</b> Money creation; Quantitative theory of money; Short-run and long-run effects of monetary policy; Monetary policy by Chinese government.</p> <p><b>Open Economy and Exchange Rate</b> China’s policy on exchange rate.</p>																				
<p><b>Teaching/Learning Methodology</b></p>	<p>This subject will be taught in both lecture and seminar formats. Students are required to do projects on topics related to Chinese economy, and to participate actively in discussions in the class.</p>																				
<p><b>Assessment Methods in Alignment with Intended Learning Outcomes</b></p>	<table border="1" data-bbox="443 1061 1393 1384"> <thead> <tr> <th>Specific assessment methods/tasks</th> <th>% weighting</th> <th>a</th> <th>b</th> <th>c</th> </tr> </thead> <tbody> <tr> <td>1. Continuous Assessment</td> <td>50%</td> <td>√</td> <td>√</td> <td>√</td> </tr> <tr> <td>2. Final examination</td> <td>50%</td> <td>√</td> <td>√</td> <td>√</td> </tr> <tr> <td>Total</td> <td>100 %</td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p>Explanation of the appropriateness of the assessment methods in assessing the intended learning outcomes:</p> <p>Coursework – coursework may take the form of group presentations and individual essay. Group presentations will require students to analyze and discuss the problems or challenges that the Chinese economy faces. Individual essay is used to reinforce this subject’s learning outcomes on an individual basis.</p> <p>Final examination – 3 hours examination with essay questions. Students are required to demonstrate a good knowledge on the evolution of Chinese economy and apply economic principles to analyze particular issues in Chinese economy.</p> <p><b>Note: To pass this subject, students are required to obtain Grade D or above in BOTH the Continuous Assessment and Examination components. In addition, the specific requirements on individual assessment components discussed above could be adjusted based on the pedagogical needs of subject lecturers.</b></p>	Specific assessment methods/tasks	% weighting	a	b	c	1. Continuous Assessment	50%	√	√	√	2. Final examination	50%	√	√	√	Total	100 %			
Specific assessment methods/tasks	% weighting	a	b	c																	
1. Continuous Assessment	50%	√	√	√																	
2. Final examination	50%	√	√	√																	
Total	100 %																				

<b>Student Study Effort Expected</b>	Class contact:	
	▪ Lectures / Seminars	39 Hrs.
	Other student study effort:	
	▪ Depends on their backgrounds, on average students are expected to spend around 2 more hours for each contact hour for reading subject materials, preparing discussion questions and course projects.	78 Hrs.
	Total student study effort	117 Hrs.
<b>Reading List and References</b>	<p>Samuelson, William F. and Marks, Stephen G. Managerial Economics, 7<sup>th</sup> Edition.</p> <p>Besanko, Dranove, Shanley, Schaefer, Economics of Strategy, 5th Edition, John Wiley &amp; Sons, 2010.</p> <p>Jones Charles I. and Vollrath Dietrich. 2013. Introduction to Economic Growth. International Student Edition.</p> <p>Karl E. Case, Ray C. Fair and Sharon M. Oster. 2012. Principles of Macroeconomics, Pearson, Tenth edition (Global edition).</p> <p>Basu, Kaushik. Analytical Development Economics. Cambridge, M.A.: The MIT Press.</p> <p>Brandt, Loren. and Rawski, Thomas. 2008. China's Great Economic Transformation. Cambridge University Press.</p> <p>Chow, Gregory C. 2007, China's Economic Transformation, Blackwell Publisher</p> <p>Dickson, Bruce J., 2008, Wealth into Power: The Communist Party's Embrace of China's Private Sector, Cambridge University Press.</p> <p>Ferdinand A. Gul, Lu H.T Truths and Half Truths: China's Socio-economic Reforms(1979-2009), Woodhead Publishing, Cambridge, UK, 2010.</p> <p>Kwan Yum K. and Eden S. H. Yu, 2005, Critical Issues In China's Growth And Development (The Chinese Economy Series), 2005, Ashgate</p> <p>Liew, Leong H. and Harry X. Wu, 2007, The Making of China's Foreign Exchange Rate Policy, Edward Elgar</p> <p>Lardy, Nicholas. 2012. Sustaining China's Economic Growth after the Global Financial Crisis. Washington, D.C: Peterson Institute for International Economics.</p> <p>Maddison, Angus, 2007, Chinese Economic Performance in the Long Run, 1998 (1st edition) and 2007 (2nd edition), OECD Development Centre Studies, OECD, Paris</p> <p>Naughton, Barry, The Chinese Economy: Transitions and Growth, MIT Press, 2007</p> <p>Tian Xiaowen. 2007. Managing International Business in China. Cambridge University Press.</p> <p>World Bank. 2012. China 2030. Washington DC: World Bank.</p>	