March- April 2013

COURSE SYLLABUS

ECONOMICS OF INDUSTRIAL MANAGEMENT
Master of Arts in Business and Managerial Economics (MABE)
Faculty of Economics
Chulalongkorn University

Instructor: Professor Jo Seung-Gyu
          NUS Business School
          National University of Singapore
          Email) seunggyujo@gmail.com

Course Overview

The course aims to transfer economic principles to the real world by developing and enlarging students' thinking capability and analytical horizon about managerial decision problems in different industrial market structures from a rigorous industrial organization perspective. We will go over the established economic models as the main activity but, to bring real aspects of managerial decision making process in diverse industrial market structures to the classroom, a large portion of the coursework will be devoted to discussing multiple cases and practical occasions from various sources. Students are encouraged and expected to develop intuitions behind each economic concept, the theory to formalize it and, more importantly, the ability to apply the fundamental economic concepts to the complex practical economic/business realities. Knowledge of basic algebra and calculus skills are assumed throughout the course.

Course Materials

1.   Lecture Notes/Slides prepared by the Instructor

2.   Textbooks (any of the below)

   ▪ *Industrial Organization: Contemporary Theory and Empirical Applications,* 4th ed., 2008, Lynned Pepall, Daniel J. Richards, and George Norman

   ▪ *Industrial Organization – Contemporary Theory & Practice,* 3rd ed., 2005, Lynne Pepall, Daniel J. Richards, and George Norman

   ● *Contemporary Industrial Organization: A Quantitative Approach, 2010,* Lynne Pepall, Daniel J. Richards, and George Norman

3.   Supplementary Readings:

   ▪ *Modern Indusrial Organization,* 4th ed., Dennis W. Carlton & Jeffrey M. Perloff, Addison Wesley Higher Education
   ▪ *Microeconomics,* 6th ed., Robert S. Pindyck & Daniel L. Rubinfeld, Prentice Hall

4.   Miscellaneous Handouts: Additional Readings and Cases for Class Discussion

Assessment

1. Problem Sets: 20%
2. Case Discussion and Free Topic Presentation Project: 20%
3. Class Participation: 10%
4. Examinations: 50%
   - The assessment categories 1 and 2 are group-work
   - All team members receive the same evaluation, regardless of the individual variation in their contribution
   - Details of team formation will be announced later.

MORE ON ASSESSMENT

1. Problem Sets

Problem questions should be taken as an independent learning vehicle. Students are expected to devote a lion's share of their hours to doing the homework.

Students are expected to work jointly in their own team. Each team submits one common written or typed work. Each answer will be carefully – and with effort - marked, commented and returned. Therefore typed submission will be greatly appreciated, however, do not bother to type your work unless you are an expert at it. (Your marginal productivity may be much higher at other work more than often, and so is the opportunity cost.) Though, a good pen-personship is strongly expected.

2. Case Discussions and Free Topic Project

Students are expected to apply their learning to the real situations through the case studies and Free Topic Project. The case materials are from academic journals, newspapers, professional magazines, Internet sites and others, with each case coming with a set of discussion questions prepared by the instructor to fit with the course topics. And students are to apply their learning to real life issues of their own choice through Free Topic Project. Students will be asked to challenge these two presentation duties as a team and present their work on the last class day.

More details on the Case Discussion and Free Topic Project will be announced later.

3. Class Participation

Actively volunteer to participate in discussing/questioning/answering.
Degree of participation may be critical for your grade.

4. Final Exam

It is a cumulative and closed-book examination. However, students are allowed to bring one A4 size Help-Sheet. **Note that personal excuses for a time conflict with the exam schedules are not to be honored. No make-up exam is to be given for any circumstances.**

The exam has been scheduled as follows:
09:00 am – 12:00 noon, Saturday, 27 April

Course Outline
(Note that the topics below are tentative and are subject to change.)

PART A: REVIEW OF BASIC MICROECONOMIC FOUNDATIONS

1. **Introduction to Market Economy and Economics of Industrial Management**
   - Motivation to Study Economics of Industrial Management
   - Market Structure and Market Power

2. **The Basics of Market Forces: Supply and Demand**
   - Supply, Demand and Market Mechanism
   - Predicting Market Prices: Elasticities and Application
   - Welfare Measures and Government Intervention

3. **Consumer Behavior**
   - Consumer Behavior, Individual and Market Demand

4. **Review of Basic Microeconomics**
   - Technology and Various Cost Concepts
   - Implications from the Behavioral Economics
   - Economics of Perfect Competition and Pure Monopoly
     - Why Profit Maximization Concerns
     - Equilibrium in Competitive Market and Monopoly with Welfare Implications

5. **A Snapshot into Behavioral Economics**
   - Reference Points, Prospect Theory
   - Applications
     - Endowment Effect/Status Quo Bias, Anchoring Effect, Framing Effect, Rule-of-Thumb Bias and Small-Numbers Bias, Magic of Free Price, Sunk Cost Fallacy and Mental Accounting, Nudge (Choice Technique)

PART B.   MONOPOLY POWER AND PRICING PRACTICES

6. **Price Discrimination under Monopoly: Linear Pricing**
   - Introduction to Price Discrimination and Examples
   - Economics of Third-Degree Price Discrimination and Its Welfare Implication
   - Economics of Coupons and Rebates

7. **Price Discrimination under Monopoly: Non-linear Pricing**
   - First Degree Price Discrimination
   - Two-Part Pricing
   - Block Pricing and Second Degree Price Discrimination

8. **Other Sophisticated Monopoly Pricing Strategies**
   - Economics of Bundling and Tie-in Sales under Monopoly
   - Product Variety and Quality under Monopoly – It may be skipped

PART C. STRATEGIC BEHAVIOR, GAME THEORY AND OLIGOPOLY MARKETS

9. Strategic Behavior and Game Theory I: Concepts

- Introduction
    - Game, Strategy, and Payoffs
    - Noncooperative vs. Cooperative Games
    - Normal/Strategic Form vs. Extensive Form Games
- Equilibrium Concepts
    - Equilibrium in Dominant Strategy
    - Nash Equilibrium and Refinements
    - Coordination Games
- Role of Rationality
    - Maximin Strategy
    - Mixed Strategy

10. Strategic Behavior and Game Theory II: Dynamic Settings

- Repeated Games and Backward Induction: Subgame Perfection
- Entry Deterrence and Building a Reputation
- First Mover Advantage and Commitment
- Examples and Managerial Implications
- Extra Thoughts under Game Theory: Repeated Games and Folk Theorems

11. Strategic Firm Behavior and Oligopoly Models

- Characteristics of Oligopoly
- Strategic Interaction and Importance of 'Conjectures'(or 'Beliefs')
- Oligopoly with Price Competition
    - Homogeneous Products: Bertrand Model
    - Differentiated Products
- Oligopoly with Quantity Competition
    - Simultaneous Move: Cournot Model
    - Sequential Move: Stackelberg Model (First Mover Advantage)
- Competition vs. Collusion
    - Dynamic Oligopoly and Implicit Collusion
    - Price Rigidity in an Oligopoly
    - Price Signaling and Price Leadership
    - The Dominant Firm Model
    - Cartels

12. Anticompetitive Strategies and Applications

- Microsoft Anti-trust Case
- Predatory Conduct and Entry Deterrence
- Predatory Conduct – Recent Developments
- Predation and Incomplete Information
- Application – Long-term Contract and Entry Barriers

PART D. MARKETS WITH ASYMMETRIC INFORMATION

13. Markets with Asymmetric Information

- Moral Hazard Problem (Hidden Actions)
  - Principal-Agent Problem and Value of Information
- Adverse Selection (Hidden Information)
  - Lemon Markets
  - Insurance
- Incentive Scheme/Mechanism Design: Signaling and Screening Managerial Implications
- Economics of Uncertainty

PART E. MISCELLANEOUS ISSUES

(The topics to be covered will be determined later based on the students' need and time constraint)

14. Auctions
- Sealed Bid Auction
- Dutch Auction
- English Auction
- Winner's Curse

15. Market Failure

- Why Markets Fail
- Externalities and Common Pools problem
- Public Goods
  - Characteristics of Public Goods
  - Free-Riding Problem
  - Efficient Provision of a Public Good

16. Contractual Relations Between Firms: Mergers

- Horizontal Mergers
- Vertical Mergers

17. Non-price Competitions

- Advertising
- Research and Development
- Patents and Patent Policy
- Network Economics

18. Miscellaneous Topics

Fieldwork: Individual Study in Business and Managerial Economics

Students who choose non-thesis option are required to enroll for the individual study subject – 2949711 Individual Study in Business and Managerial Economics. It is a group research aiming at enhancing students' experiences in the real world of doing business.

During each academic year, the program will coordinate with companies both foreign and domestic and organize field trips to visit those companies – during March for full-time students and October for part-time students. For each field trip, students are required to form into groups – approximately 6 to 8 members in each group – and are assigned to visit and study selected companies. The company visit includes brief presentation on company profile, production process, marketing, management, finance, environment, factory tour, data collection and Q & A. The collected data from each company will be put in a process to write an analytical report and to present to the Program Committee.

All students enroll for the subject is required to participate in all academic activities throughout the trip and in the scheduled presentation.

CHULALONGKORN UNIVERSITY: MABE 2012

Special Topic in Business and Managerial Economics: Strategic Marketing

Lecturer   :   Assoc. Prof Lee Khai Sheang

Session   :   Dec 2012

Course Objectives

This is an advanced course in marketing strategy that focuses on competitive strategy analysis and formulation. Students are introduced to both the Art and the Science of "Strategic Thinking" in devising competitive strategies. This course aims to:

- Enhance student's ability to think and to act strategically in marketing and in business.
- Introduce students to Principles of Strategy from Sun Zi's "Art of War" to assist them in making business strategy decisions.
- Introduce students to fundamental Game Theoretic tools and models for analysing and understanding problems involving strategic interactions.
- Provide students with some advanced strategy concepts and theories to gain a deeper understanding of competitive strategy formulation.

Students are expected to apply both the Art and Science of strategy discussed in class to solve marketing and business problems, through case analyses, critiques, and presentations. There will be a case research project requirement, which requires students to identify and analyse an actual problem or case faced by a firm, and to make recommendations as to how the problem can be resolved, based on concepts taught in class.

Readings

Readings consist mainly of journal articles. In addition, students are encouraged to read the following to supplement the journal readings.

Key References

- Dezen.biz – Center for Research on Applications of Sun Zi's Art of War to Business, http://www.dexen.biz
- Sun Zi's Art of War – A Translation (2010), Lee KS & SL Sim, http://www.dexen.biz
- Sun Zi's Art of War – A Translation and Illustrations of Applications in Strategy (2010), Lee KS and Sim SL, http://www.dexen.biz
- Sun Zi Strategy Review Quarterly (v1) (4th Qtr 2010), Lee KS (ed), http://www.dexen.biz

- **Supplementary References**
- Thinking Strategically (1991), Avinash Dixit and Barry Nalebuff, W.W.Norton & Co.
- Competing for Markets: Strategies for SMEs, (2002), Lee, Lim, & Tan, McGraw Hill.
- Games and Information (1989) - Eric Rasmusen, Basil Blackwell.

Assessment Method

- Case – Presentation (Group)   :   10%
- Critique of Case Presentation (Individual)   :   5%
- Project Report (Group)   :   10%
- Project Presentation (Group)   :   10%
- Critique of Project Presentations (Individual) :   5%

- Participation (Individual)   :   10%
- Final Exams (Individual)   :   50%

Total   :   **100%**

Course Outline

1.   (i) **Introduction: Course Overview**
      Assessments, Expectations, and Project Requirements

      (ii) **Thinking Strategically: Sun Zi's Art of War & Game Theory**
      • Intro in <u>Thinking Strategically</u>, Dixit & Nalebuff.
      • Lee, Chng, & Wee (1994), *The Art and Science of Strategic Marketing*, <u>Journal of Strategic Marketing</u>.
      • Lee and Sim (2010), <u>Sun Zi's Art of War – A Translation & Illustrations of Applications in Strategy</u>
      • Chapters 1 and 2 in <u>Competing for Markets: Strategies for SMEs</u>, Lee, Lim, & Tan (2002).

      Case Discussion: Chun King (USA)

2.   **Competing Under Resource Constraints: Generic Strategies For SMEs**
      • Chapters 3, 4, 5 & 6, in <u>Competing for Markets: Strategies for SMEs</u> by Lee, Lim, & Tan (2002).

      Case Discussion: Chun King (Continue from 1)

3.   (i) **Finalize group formation and case assignments**

      (ii) **Sun Zi's Model and Principles of Strategy**
      • Lee K.S. (2010), Sun Zi's Model of Strategy, http://www.dexen.biz
      • Lee K.S. (2010), Sun Zi's 13 Principles of Strategy, http://www.dexen.biz
      • Sect. 2 in <u>Thinking Strategically</u>, Dixit & Nalebuff
      • Part I (Chapters 1 to 4) in <u>Games and Information</u>, Rasmusen
      • Day, G.S., and P. Nedungadi, (1994), *Managerial Representations of Competitive Advantage*, <u>Journal of Marketing</u>, Vol. 58 (Apr), pp31-44.

4.   **Sun Zi's 13 Strategies for Business**
      • Lee KS (ed) (4th Qtr 2010), <u>Sun Zi Strategy Review Quarterly (v1)</u>.
      • Lee K.S. and S.L. Sim (2010), <u>Sun Zi's Art of War – A Translation and Illustrations of Applications in Strategy</u>.

5.   **Market Preemption Strategy**
      • Lee K.S., and C.L Ng (2007), *An Integrative Framework of Preemption Strategies*, <u>Journal of Strategic Marketing</u>.

      Case Discussion: De Beers International

6.   **Strategic Bargaining & Bargaining Power**
      • Sect. 9 in <u>Thinking Strategically</u>, Dixit & Nalebuff
      • Part III (Chapter 10) in <u>Games and Information</u>, Rasmusen.
      • Chapter 7 in <u>Competing for Markets: Strategies for SMEs</u>, Lee, Lim, & Tan (2002).

Case Discussion: Computer Supplies Pte. Ltd. (Singapore)

7. **Strategic Alliances: The Prisoners' Dilemma**
   - Sect. 4 in Thinking Strategically, Dixit & Nalebuff
   - Part I (Sect. 1.2) in Games and Information, Rasmusen.
   - Chapter 8 in Competing for Markets: Strategies for SMEs, Lee, Lim, & Tan (2002).

   Case Discussion: Industrial Supplies Corporation (Malaysia)

8. **(i) Project approval and confirmation**

   (ii) Transaction Cost Economics & Channel Strategy
   - Williamson (1979), *Transaction Cost Economics: The Governance of Contractual Relationships*, Journal of Law and Economics, Vol. 22 (2), pp233-261.
   - Chapter 7 in Competing for Markets: Strategies for SMEs Lee, Lim, & Tan (2002).

   Case Discussion: San Fabian (Philippines)

9. **Case Discussion, Presentation & Critique: Cases 1 & 2**

10. **Case Discussion, Presentation & Critique: Cases 3 & 4**

11. **Case Discussion, Presentation & Critique: Cases 5 & 6**

12. **Case Discussion, Presentation & Critique: Cases 7 & 8**

13. **Project: Presentations & Critique**

14. **Project: Presentations & Critique**

15. **Project: Presentations & Critique**

16. **Final Exams**

Submission of Project: Strategy Essay before 12 midnight, 4 Jan 2013

MABE
Full-Time Program Class 16

Faculty of Economics
Chulalongkorn University

2940603 Advanced Economic Theory I

Instructor: Assoc.Prof. Chalaiporn Amonvatana, Ph.D.

Lecture Time:

Monday	9 July 2012 16 July 2012 23 July 2012	Time 13.00-16.00 hrs.
Tuesday	10 July 2012	Time 9.00-16.00 hrs.
	17 July 2012	Time 9.00-16.00 hrs.
	24 July 2012	Time 13.00-16.00 hrs.
Wednesday	11 July 2012 18 July 2012 25 July 2012	Time 13.00-16.00 hrs.
Thursday	5 July 2012 12 July 2012 26 July 2012	Time 13.00-16.00 hrs.
Friday	27 July 2012	Time 13.00-16.00 hrs.

Room   510 Econ Bldg.

Examination: Midterm Exam.   Saturday 14 July 2012 Time 9.00-12.00 hrs.
                Final Exam.   Tuesday 31 July 2012 Time 13.00-16.00 hrs.

Office: MABE Office
                Room 508/2 Econ Bldg.
                Tel. 0-2218-6215

Course Objectives

1. To help students both understand and improve the managerial decision making process.
2. To provide a solid foundation of economic understanding for use in managerial decision making.
3. To introduce quantitative methods and tools to facilitate the practical use of economics in decision situations.
4. To illustrate a practical problem solving approach to the study of business economics.

Required Textbook

Hirschey, Mark. Managerial Economics, 12th Edition.
Cengage Learning, 2009

Grading

Midterm Exam.	50%	
Final Exam.	50%	

Topic Outline

1. Economic Optimization

Revenue Relations
Cost Relations
Profit Relations
Incremental Concept in Economic Analysis

2. Demand and Supply

Basis for Demand
Demand Function and Demand Curve
Basis for Supply
Supply Function and Supply Curve
Market Equilibrium

3. Demand Analysis

Utility Theory
Indifference Curves
Budget Constraints
Individual Demand
Optimal Consumption
Demand Sensitivity Analysis : Elasticity
Price Elasticity of Demand
Cross-Price Elasticity of Demand
Income Elasticity of Demand

4. Production Analysis

Production Functions
Total, Marginal and Average Product
Law of Diminishing Returns to a Factor
Input Combination Choice
Marginal Revenue Product and Optimal Employment
Optimal Combination of Multiple Inputs
Optimal Levels of Multiple Inputs
Returns to Scale

5. Cost Analysis

Cost Concepts
Cost Curves
Learning Curves
Cost Elasticities and Economies of Scale
Cost-Volume-Profit Analysis

6. Competitive Markets

Factors that Shape the Competitive Environment
Competitive Market Characteristics
Profit Maximization in Competitive Markets
Marginal Cost and Firm Supply
Competitive Market Equilibrium

7. Monopoly

Monopoly Market Characteristics
Profit Maximization under Monopoly
Social Costs of Monopoly
Social Benefits of Monopoly

8. Monopolistic Competition and Oligopoly

Monopolistic Competitive Market Characteristics
Monopolistic Competition Process
Oligopoly Market Characteristics
Oligopoly Output-Setting Models
Oligopoly Price-Setting Models
Census Measures of Market Concentration

9. Pricing Practices

Pricing Rules-of-Thumb
Markup Pricing and Profit Maximization
Price Discrimination
Two-Part Pricing
Joint Product Pricing

1. **Course ID number:**   2949-651

2. **Credits:**   3 credit hours

3. **Course Name:**   Cost and Financial Analysis

4. **Faculty:**   Economics, Chulalongkorn University

5. **Semester:**   Term 1 (Aug - Dec); Module: September 2012

6. **Academic Year:**   2012-2013

7. **Instructor:**   Tom Connelly
   10th Floor, Mahitalathibesara Building
   Office Hours: Monday and Tuesday afternoons or by appointment
   Tel: 218-5674 (Department office)
   E-mail: thomas@acc.chula.ac.th

8. **Course Conditions:**   Prerequisites are economics, accounting, and statistics

9. **Status (Course Type):**   Required course

10. **Curriculum / Program:**   Master of Arts Programme in Business and Managerial Economics (MABE)

11. **Degree (Course Level):**   Graduate

12. **Lecture hours per week:**   Module format; approximately 12 hours

13. **Course description:**   (see attached page)

14. **Course Outline:**
    14.1. Behavioral objectives (see below). Course objectives are on the attached page, along with student expectations and responsibilities.

Course Objectives	Learning Outcome	Teaching Approach	Evaluation Approach
1. Understand the objectives of financial management	In-depth knowledge	Lecture	Examination
2. Demonstrate the ability to analyze and forecast financial statements	In-depth knowledge, critical thinking, problem solving	Lecture, demonstration, project	Examination, report
3. Understand and apply concepts of the time value of money	Problem solving	Lecture, demonstration	Examination
4. Understand and apply the concepts and applications of risk and return	In-depth knowledge, critical thinking, problem solving	Lecture, demonstration	Examination
5. Demonstrate the ability to value financial assets (stocks and bonds)	In-depth knowledge, critical thinking, problem solving	Lecture, project	Examination
6. Demonstrate the ability to complete capital budgeting analyses (under certainty)	In-depth knowledge, critical thinking, creative thinking, problem solving	Lecture, activity	Examination
7. Calculate and interpret the cost of capital	In-depth knowledge, critical thinking, problem solving	Lecture	Examination

     14.2. Course calendar / weekly topics -- (see attached page)
     14.3. Teaching methods (see attached)
     14.4. Teaching aids (see attached)

15. <u>Course Evaluation (Grading)</u>:

Assignments and activities *	20 %
Mid-term exam	30 %
Final exam	30 %
Term project	20 %

             * includes quizzes, homework, and individual projects and assignment.

Grading scale: 100-90=A, 89-85=B+, 84-80=B, 79-75=C+, 74-70=C, 69-65=D+, 64-60=D, Below 60=F

The two three-hour exams are closed-book exams. Each test will consist of questions and problems covering lectures and assignments. The final exam is cumulative but will place greater emphasis on the material covered after the midterm exam. There will be no make-up exam given **without prior consent** from the instructor. A separate comprehensive examination will be administered if and only if a student has a legitimate and verifiable reason for missing an exam (e.g., doctor's note), subject to the policies of the Master of Arts Programme in Business and Managerial Economics, the Faculty of Economics, and Chulalongkorn University.

There will be quizzes in nearly every session, covering problems at the end of each chapter in the text. The quizzes have three purposes: help you keep up with the assigned course material, provide extra practice on the important concepts for the course in preparation for the exams, and give you feedback on your level of understanding. **No make-up quizzes will be given.** Your two lowest quiz scores will be dropped.

16. <u>Textbooks and Other Course Materials:</u>
    16.1.   Required textbook: *Principles of Managerial Finance*, 13th ed. L.J. Gitman and C.J. Zutter, Pearson Prentice Hall, 2012.
    16.2.   Optional books: *none*
    16.3.   Course website: *myfinancelab*, by Prentice Hall.

17. <u>Evaluation</u>
    17.1.   Teaching evaluation form – two evaluation forms will be used: the standard Chulalongkorn University / Faculty Economics form and an additional evaluation form prepared by instructor.
    17.2.   Improved syllabus and new materials – the course is continually updated with new materials as discovered.
    17.3.   Discussion or analysis which develops desired characteristics of Chulalongkorn University graduates:
        17.3.1.   Being knowledgeable: in-depth knowledge
        17.3.2.   Having good morals: being moral and ethical
        17.3.3.   Higher order thinking skills: being able to think critically and creatively; having skills in problem-solving
        17.3.4.   Possessing essential capabilities: professional skills, communication skills, management skills
        17.3.5.   Having an inquiring mind and knowing how to learn
        17.3.6.   Being community-minded and possessing social responsibility

OBJECTIVES of the CLASS:
The course will give students their first comprehensive introduction to the key concepts of financial management. To be successful in this course, you should be able to:
- Understand the concepts presented in lectures and in assigned textbook readings,
- Recognize these concepts both in definitional and example forms, and
- Apply these concepts in solving financial problems.

Topics covered will include: objectives of financial management; concepts and applications of risk and return; analysis and forecast of financial statements; time value of money; working capital management; sources of funds; capital structure; and capital budgeting under certainty. In addition to classroom lectures, the class will use a variety of methods to practice the concepts introduced in class including small case studies, problem sessions, and a group project.

STUDENT EXPECTATIONS and RESPONSIBILITIES:

Students are expected to attend on time and attend class regularly, prepare advance readings, and participate in class and on-line discussions and projects. Assignments and occasional quizzes will provide timely feedback and reinforce important concepts covered in class.

- **Attend class.** Attendance is mandatory and will affect your grade. It is a BBA program requirement that you must attend at least 80% of class sessions or else you will fail the course. Excused absences are granted only for illness or for official school activities. Absences for illness require a note from your doctor.
- **Notify the instructors <u>in advance</u>.** If any difficulties arise concerning assignments or class attendance, almost any situation can be resolved with advance notice. Please let me know in advance if you will miss class.
- **You are responsible for all announcements and changes made in class.**
- **Get to class on time.** We will start on time so we can finish on time. Keep class breaks on time as well.
- **Be courteous** to your instructor and classmates. Turn off all communication and other electronic devices before class. Do not use any mobile devices during class time.
- **Bring a calculator, bring your book, bring your notes.** You will need a calculator, book, and lecture notes to use during the weekly quizzes. Class lectures will sometimes involve working through problems. Thus, you must bring a calculator to class so that you may work problems and participate in class. Mobile phones may not be used as a calculator during class, exams, or quizzes. Notes and books MAY NOT be shared during in-class quizzes.
- **Assignments are due when announced.** Late assignments will be accepted for 50% credit until the original assignment has graded. After the assignment has been graded, late assignments will not be accepted. No make-up quizzes will be given.
- **Academic misconduct:** Any academic misconduct including, but not limited to, accessing unauthorized materials and communicating with fellow students during examinations and quizzes and using the work of another student, will immediately result in a failing grade for the course. Additional sanctions by the Faculty may also be imposed if deemed necessary.
- **Do your own work.** Any exams or assignments judged similar to another student's work will be penalized. You are expected to follow MABE / Faculty of Economics/ Chulalongkorn University guidelines for assignments and examinations. For class assignments, always give proper credit to your sources and provide complete references. If there are any questions, please see me.
- **Communicate frequently.** Check your email – this is the best way to keep up to date with our course. When sending email, please start the subject line with "MABE Full-time —….your subject…" so your message will not be automatically deleted by junk mail filters.

Class Schedule:

		Preparation Date:	06 Aug 2012
Session	**Date**	**Topic**	**Remarks**
1	Tuesday pm, 04 Sep 2012	Course Introductions; The Role of Managerial Finance, The Financial Market Environment	Ch. 1, 2
2	Thursday am, 06 Sep 2012	Financial Statements and Ratio Analysis	Ch. 3 Quiz #1
3	Friday am, 07 Sep 2012	Cash Flow and Financial Planning	Ch. 4 Quiz #2
4	Tuesday pm, 11 Sep 2012	Time Value of Money	Ch. 5 Quiz #3 Project (Part I) due
5	Wednesday pm, 12 Sep 2012	Risk and Rates of Return	Ch. 8 Quiz #4
6	Thursday pm, 13 Sep 2012	Risk, Return, and Portfolio Theory	Ch. 8 Quiz #5
7	Friday pm, 14 Sep 2012	Risk, Return, and the Security Market Line	Ch. 8 Quiz #6 Project (Part II) due
	Monday pm, 17 Sep 2012	**Midterm Exam**	Covering Chapters 1, 2, 3, 4, 5, and 8
8	Tuesday pm, 18 Sep 2012	Interest Rates and Bond Valuation	Ch. 6
9	Wednesday am, 19 Sep 2012	Stock Valuation	Ch. 7 Quiz #7
10	Thursday pm, 20 Sep 2012	Capital Budgeting Techniques	Ch. 10 Quiz #8
11	Friday pm, 21 Sep 2012	Capital Budgeting Cash Flows	Ch. 11 Quiz #9
12	Monday pm, 24 Sep 2012	Risk and Refinements in Capital Budgeting	Ch. 12 Quiz #10
13	Tuesday pm, 25 Sep 2012	The Cost of Capital	Ch. 9 Quiz #11
14	Wednesday pm, 26 Sep 2012	The Cost of Capital	Ch. 9 Quiz #12 Final Project due
15	Thursday pm, 27 Sep 2012	Cost of Capital; exam review; course evaluation	Ch. 9 Quiz #13
	Monday pm, 01 Oct 2012	**Final Exam**	Cumulative Exam

<u>**Project -- Financial Statement Analysis**</u>

<u>**Project Objective**</u>:
Analyze financial statements as a financial analyst.

<u>**Description of finished product**</u>:

This assignment has three parts:

Project Section	Due Date
Part I: Company description; 3 pages maximum	Session 4; 11 Sep 2011
Part II: Economic analysis and outlook for the industry; 5 pages maximum	Session 7; 14 Sep 2011
Part III: Full report including Parts I and II plus financial analysis for each company, including financial ratios, cash flow analysis, and investment recommendation; 10 pages maximum	Session 14; 26 Sep 2011

Parts I and II are submitted separately; the final report will contain all three parts. The final report will be up to 10 pages (double-spaced; Times New Roman, 10 point font, one-inch margins on all four sides). All the reference materials used in your analyses must be included in each part and in the final report. Include the reference materials as appendices to your main report. For the reference material in the appendices, highlight the important information related to your decision and the reasons each document is enclosed.

<u>**Preparation**</u>:
1. Your group will be assigned one industry sector on the Stock Exchange of Thailand. The financial services sectors (banks, finance & securities, insurance) will not be assigned.
2. Submit the names of your group members, ID numbers, and the industry sector name your group as been assigned.
3. Within the industry category your group has been assigned, select at least three Thai firms. To see the available companies, read the newspaper, visit the Stock Exchange of Thailand website (http://www.set.or.th) or check the SETSMART website (available only on campus at: http://161.200.66.44:8080). Within the industry your group has chosen, try to select companies in similar businesses. For example, if your group selects the "Food" industry category, try not to pick Company ABC (which makes frozen foods), Company DEF (which makes soft drinks), and Company XYZ (which owns a chain of restaurants). These three companies are in very different businesses, with very different investments, capital needs, and business characteristics. In some industries, it may be very difficult to find three companies that are an exact match, but try your best. One idea would be to select the largest, smallest, and a medium-sized firm (in terms of market capitalization) in the industry sector your group has chosen.

<u>**Report Contents**</u>

<u>**Part One – Company Description:**</u>
Find information about the company, including lines of business, products sold, scope of operations, major customers, and competitors. Provide historical figures for sales, total assets, net income, and year-end stock price for the past three years.

<u>**Part Two – Economic Analysis and Industry Outlook:**</u>
Create an outlook for the industry based on the outlook for the economy, macroeconomic influences, and any other significant risk factors (technological, social, political / regulatory, etc.).

<u>**Part Three – Financial Analysis:**</u>
Prepare a thorough financial ratio analysis for each firm, comparing the companies on a variety of ratios. Use the financial data from the three most recent years available (2008 – 2010).

In your analyses, your group should replicate all the ratios provided in lecture and the textbook. Prepare a cash flow analysis for each firm. Prepare a DuPont analysis for each firm. The analyses should be cross-sectional (that is, compare all the sample firms for a given year) and through time (that is, compare the sample firms through time). Use the financial analysis to recommend the one company would be the best investment in this sector.

<u>**Grading:**</u>

The evaluation of the report will be based on the quality of analyses and calculations. Most importantly, the emphasis is on the application of class concepts to this project. You should try to apply as many ratios from the text as you can to gain better understanding of benefits and limitations of those ratios and financial statement analysis techniques.

Sources of Information and Suggestions

Visit the SETSMART website (available only on campus at: http://161.200.66.44:8080) if you are unfamiliar with the industry sectors. Other possible sources of information are: SET webpage, company webpages, SETSMART, and the SET library. There are also numerous sources of industry news and company information on the web.

Your group is free to use any sources of information that you can find as long as the relevant reference materials — with a complete reference — are included in each assignment you submit as well as the final report. Remember to give proper credit to all your sources.

Find and download financial statement information for the past several years. Download the balance sheets, income statements, and cash flow statements for each firm. If you have a choice, use consolidated results rather than company-only figures.

Use consistent formats for the financial statements. To simplify the presentation of the financials and make cross-company comparisons easier, round numbers to an appropriate level (23.6 billion baht, not 23,569,007,295.35 baht). Condense or simplify the financial statements into "short-form" financial statements to create a consistent format. A consistent format makes it easier to compare values across companies and through time. For example, common-size financial statements are easily prepared and useful for making insightful comparisons. Some mysterious or strange line items or account names may need to be combined and summarized on the financial statements. Use your best judgment, ask your classmates, or ask your instructor.

SYLLABUS
Economics of Production and Marketing Management
Faculty of Economics, Chulalongkorn University

Instructor for Marketing: Assistant Professor Dr. Randall Shannon
Phone: 02-206-2000 ext. 2101 ·
Email: A.Randall@Gmail.com
Office Hours: By appointment
Class Schedule: See next page

Course Objective: This course is designed to be an overview of key components within the field of marketing and marketing decision-making. Emphasis is placed on strategic planning and analytical procedures for making marketing decisions.

Recommended Text: Marketing in Asia, by Kerin, Hartley and Rudelius. McGraw-Hill Publishing, 2009.

Assessments: 60% Final Exam
30% Assignments/Quizzes
10% Participation/Class Attendance

Course Outline:

Class	Content	Reference
1	Self-Introduction, Introduction to Marketing	Chapters 1&4 Mar 8th 9-12
2	Consumer Behavior	Chapter 5 Mar 8th 1-4
3	Market Segmentation & Positioning Analyzing Consumer Markets and Buyer Behavior	Chapter 9 Mar 11th 9-12
4	Marketing Research and Marketing Intelligence	Chapter 8 Mar 11th 1-4
5	Product and Price Group 1 Presentation Group 2 Presentation	Chapters 10- 12 Mar 12th 9-12
6	New Product Development Group 3 Presentation Group 4 Presentation Group 5 Presentation	No Chapter Mar 12th 1-4
7	Distribution Group 6 Presentation Group 7 Presentation	Chapters 15-17 Mar 15th 9-12
8	Advertising and Promotion Group 8 Presentation Group 9 Presentation Group 10 Presentation	Chapters 18-19 Mar 15th 1-4
9	**Final Exam**	April 4th 9-12

Course Syllabus
Economics of Production and Marketing Management
(Production Management)

Objective: Understand the concept of operations management, roles of operations managers, and be able to apply basic techniques including forecasting techniques, capacity planning, production planning, inventory control, and quality management

Instructor: Wipawee Tharmmaphornphilas, PhD

Contact Info: Department of Industrial Engineering
Chulalongkorn University
Email: wipawee.t@eng.chula.ac.th
Off: 02-218-6829
Fax: 02-251-3969

Textbook: Heizer, J. and Render, B., "Operations Management", 8th edition, 2006, Pearson.

Reference: Russel, R.S., and Taylor B.W., 2000, "Operations Management", 3rd edition Prentice Hall
Davis, M.M., Aquilano, N.J., and Chase, R.B., "Fundamentals of Operations Management, 4th edition, McGraw-Hill

Grading: Examination 40%
Class participation 10%

Tentative Schedule:

Date	Topics	Reading
Jan 5, 09 m	Introduction/ Operations Strategy	Ch 1, 2
Jan 5, 09 a	Process Strategy	Ch 7
Jan 7, 09 m	Quality Management	Ch 6
Jan 7, 09 a	Forecasting	Ch 4
Jan 12, 09 m	Production Planning I	Supplement 7, Ch 13/ 14
Jan 12, 09 a	Production Planning II	
Jan 14, 09 m	Inventory Management	Ch 12
Jan 14, 09 a	Project Management	Ch 3
Jan 16, 09 m	Examinations	

Economics of International Business Management

Instructors: Rodolfo Helg and Thanos Papadimitriou

Course outline

The first part of the course covers mainly the environment in which firms operate. It analyzes the determinants and consequences of the increasing international integration of markets. It focuses on the gains and losses of liberalizing versus protectionist policies as key information to understand the economic dimension of the current debate on globalization. In so doing, it presents the fundamental models of international trade theory. These highlight the distinction between the efficiency and the equity effects of trade policy. Such distinction is crucial to comprehend the political economy of international trade policy with its drive towards multilateral trade agreements on the one side, and the resistance to them by various pressure groups on the other side. Some introductory elements of international finance are also covered. The managerial implications of the material presented are discussed. The second part of the course directly go to analyze a firm's strategy and its operations.

The basic textbook is:

(H) Hill C.W.L., C.H. Wee, K. Udayasankar, International Business: an Asian Perspective, 2012, McGraw-Hill (companion website)

For the exam, compulsory material is signalled with *.

Optional readings can be used to get a wider and deeper perspective on the topics of the course. Statistical sources can be used to obtained detailed data on the issues discussed in class.

Information and data on international trade issues are available at:
WTO, EU-DG-Trade, US International Trade Commission , ASEAN Secretariat

Student evaluation:

There will be a final written exam (more details during the course). In addition students should form 3-person groups. Each group will be assigned a specific task; the group should prepare and deliver a class presentation using power point (or similar software). All group members should participate actively during class presentation (length 12 minutes)
Final mark will be composed:

80%   final written exam
20%   class presentation + class participation

Course Syllabus

#	ARGUMENT
1	**Introduction to the global environment** (R.Helg) * (H) chpt 1 * WTO, World Trade Report 2008, (pg. 13-26) * pag 27 in Maddison A., The world economy: a millennial perspective, OECD, 2001 Rosling H., 200 years, 200 countries. 4 minutes, BBC Four IMF Staff, Key Issue: Globalization OECD-WTO, Measuring trade in value added Kose M.A., E. Prasad, Emerging markets in the global economy, Finance&Development, December 2010 Prasad E., Rebalancing growth in Asia, Finance&Development, December 2009. Baldwin R. (ed.), The great trade collapse: causes, consequences and prospects, CEPR, November 2009. Scheve K.F., M.J. Slaughter, A new deal for globalization, Foreign Affairs, July/August 2007 Ghemawat P. (Talk), "Actually the world isn't flat", June 2012, TED Friedman T. (video speech), The world is flat 3.0, MIT World, November 2007
2	**Causes and consequences of international trade 1: the principle of comparative advantage** (R.Helg) * (H), chpt 5 pg 166-183 Ricardo D., On the principles of political economy of taxation, 1817 (London: John Murray, Albemarle-Street), (in chapter 7, par.16 Ricardo introduces the principle of comparative advantages) International comparison of labour productivity and wages are available from the US Bureau of Labor Statistics
3	**Causes and consequences of international trade 2: economies of scale, imperfect competition and national competitive advantage** (R.Helg) * (H), chpt 5 pg 183-200 Harmsen R., N. Riad, Trading places, Finance&Development, September 2011
4	**Foreign direct investment** (R.Helg) * (H), chpts 7 * chpt 1 in Barba Navaretti G., A.J. Venables, Multinational firms in the world economy, Princeton University Press (2004) UNCTAD, World Investment Report 2012, (Country Fact Sheet: Thailand) The Economist, Offshoring. Welcome Home, January 2013
5	**The role of government in international trade: trade policy instruments** (R.Helg) * (H), chpt 6 Handout - Protectionism

	Irwin D., A Brief History of International Trade Policy, Contributors' Forum, November 2001, The Library of Economics and Liberty
	Bhagwati J., Protectionism, The Concise Encyclopaedia of Economics
6	**The regulation of international trade: the multilateral approach (WTO) and the preferential approach (R.Helg)**
	* (H), chpt 6, 8
	Hoekman B., S. Jackson, Reinvigorating the trade policy agenda: Thing Global Value Chain, VoxEu January 2013
	WTO, Understanding the WTO.
	Baldwin R., WTO 2.0: Thinking ahead on global trade governance, VoxEu December 2012
7	**The balance of payments. The foreign exchange market (R.Helg)**
	* (H), Appendix to chpt 5. pg 190-193
	* (H), chpt 9
	Ghosh G.R., J. D. Ostry, Choosing an exchange rate regime, Finance&Development, December 2009
	The Big Mac Index, The Economist web site
	Callen T., What is GDP?, Finance and Development, December 2008
8	**The international monetary system (R.Helg)**
	* (H), chpt.10, chpt. 11
	Kose A.M, P.Loungani, M.E. Terrones, Tracking the global recovery, Finance&Development, August 2012
	Kang K., J. Miniane, Global financial turmoil tests Asia, Finance&Development, September 2008
	Lane P. R., G.M. Milesi-Feretti, Examining Global Imbalances, Finance&Development, March 2006
	Rogoff K., "Financial Globalization, A Reappraisal" (with M. A. Kose, E. Prasad, and S.J. Wei), IMF, WP/06/189, August 2006
	Rodrik D., Goodbye Washington Consensus, Hello Washington confusion?, Journal of Economic Literature, December 2006.
	Williamson J., From reform agenda to damaged brand name: the Washington Consensus, Finance&Development, September 2003.
9	**The strategy of international business (T. Papadimitriou)**
	* (H), chpt 12
	GM bets on global diversity, at least in names, IHT, February 3, 2008
	Naming products gets harder the more you go global, IHT, September 4, 2007
10	**The organization of international business (T. Papadimitriou)**
	* (H), chpt 13
	International Isn't Just IBM's First Name, January 17, 2008
11	**Entry strategy and strategic alliances (T. Papadimitriou)**
	* (H), chpt 14
	Big Brewers Pour Into Emerging Markets, Business Week, June 4, 2007

12	**Exporting, importing and countertrade** (T. Papadimitriou) * (H), chpt 15 Fading Trading, The Economist, Jan 28 2010
13	**Global production, outsourcing, and logistics** (T. Papadimitriou) * (H), chpt 16 Operation Everything, Boston Globe, June 27, 2004
14	**Global production, outsourcing, and logistics (2)** (T. Papadimitriou) * (H), chpt 16 Li & Fung + Hilfiger Unit = $10B?, Forbes, February 12, 2007 Lessons from 25 supply chain leaders, FT, Dec 10, 2007
15	**Global marketing and R&D** (T. Papadimitriou) * (H), chpt 17 Going Global, Virtually, AsiaOne Business (The Business Times) Aug 20, 2009

Master of Arts in Business and Managerial Economics (MABE)
Faculty of Economics
Chulalongkorn University

November- December 2012

COURSE SYLLABUS

Game Theory and Managerial Applications

Lecturer: **Professor Seung-gyu Jo, Ph.D**.

Department of Strategy and Policy
NUS Business School
National University of Singapore
Email) bizjosg@nus.edu.sg or seunggyujo@gmail.com (preferred)

Course Overview

Game theory is a formal study about how rational decisions are to be made in 'strategic' situations where conflict interfaces with mutual dependence. Decision makings in such situations are necessarily complicated in that one must take into account the actions taken or likely to be taken by others, and vice versa. Such situations are not rare both in business world and every day human life, in which players have common or conflicting objectives but decisions are mutually dependent. Therefore, good decision makers (or managers) would form expectations about the behavior of others and also attempt to influence the behavior of others by systematically evaluating the variables subject to their control and using these variables to influence the way game is played, ultimately for their benefits.

As an intensive elective course, this module aims to provide a non-cooperative game theoretic overview of such strategic interactions in dimension of both theory and applications. We will start by reviewing the elements of games that are fundamental in representing strategic situations in a rigorous game form, and then we will study the equilibrium concepts and algorithms together with managerial/economic and real life applications from various sources. The former applications include bargaining, market competition, predatory conducts, international trade policy, entry and entry-deterring behavior, and the latter include sports, dating, animal behavior, gambling, diet efforts, movie scenes etc.

Analytical rigor would be a necessity when analyzing strategic situations. However, we will deal with the topics mainly in an intuitively appealing fashion while maintaining the necessary rigors. Students are expected to develop intuitions behind each concept together with the rigorous logics to formalize it and, more importantly, create their ability to reshape their learning to be applied to the realities. To bring real aspects of the game theory into the classroom, a large portion of the coursework will be devoted to discussing multiple cases and practical examples and thus students' voluntary participation is to be strongly encouraged. Knowledge of basic algebra and calculus skills are assumed throughout the course.

Course Materials

1. **Main Materials**

   - **Lecture Notes**
     - Comprehensive lecture notes designed and composed by the lecturer will be distributed.

2. **Books**

   The lectures will be based on my own lecture notes and will not follow a particular textbook. However, the following books will be useful for your reference and more detailed study. Having at least one book around you will be helpful.

   Formal:

   - *Strategy: An Introduction to Game Theory*, 2nd ed., Joel Watson, Norton, W. W. & Company, Inc (2006)
   - *Games of Strategy*, Avinash Dixit and Susan Skeath, Norton, W. W. & Company, Inc (2004)
   - *Game Theory for Applied Economists*, Robert Gibbons, Princeton University Press (1992)
   - *Games and Information, Eric Rasmusen, 4th ed., 2006*
   - *Game Theory and Economic Modelling, David Dreps, Oxford University Press, 1990*

   Informal:

   - *The Art of Strategy*, Avinash Dixit and Barry Nalebuff, Norton W.W. & Company (2008)
   - *Thinking Strategically*, Avinash Dixit and Barry Nalebuff, Norton W. W. & Company (1991)

3. **Miscellaneous Handouts**

   - Miscellaneous readings will be handed out, some of which will be discussed during the classes. Students are expected to have read the readings before they come to classes and ready to discuss actively and voluntarily.

Assessment

1. **Class Participation: 10 %**
2. **Examination: 50 %**
3. **Homework Assignments: 20%**
4. **Team Presentations (Case and Free Topic Project) : 20 %**

More Details on Assessment

1. Class Participation

A monotone 'one way teaching' – from the lecturer to the audience – far from being ideal for the most effective learning environments, we by no means would take this approach. As such, students are strongly encouraged and expected to actively volunteer to participate in classes. The degree and quality of students' participation in discussing, questioning and answering will all be counted. Specifically, students are expected to be committed to the "Four Ps" principles of the student involvement – **P**reparation, **P**resence, **P**romptness, and **P**articipation. As it turned out in the past years, this student involvement assessment category will be critical in determining the final grades.

2. Examination

The examination would not only test the students' understanding of the course materials but also their ability to reshape their learning to apply it to the practical challenging scenarios. Short essay questions and analytical questions will be well combined. It is a cumulative and closed-book examination. However, students are allowed to bring one A4 size 'Help Sheet' for their reference during the examination. The final exam has been scheduled on **Saturday, 22 December (9:00-12:00).**

3. Homework Assignments

Homework assignments, usually composed of a comprehensive sequence of questions, are not only meant to test students' learning but also to challenge their intellectual curiosity. As such, students should rather take it as an independent learning vehicle and are expected to devote a lion's share of their hours to doing the homework problem sets.

Students are to work jointly in their own team, which is to be formed in an earlier stage of the course term. Each team submits one common work, written or typed. Each answer will be carefully – and with effort - marked, commented and returned. Therefore typed submission will be greatly appreciated. However, do not bother to type your work unless you are an expert at it. (Your marginal productivity may be much higher at other work more than often, and so is the opportunity cost.) Though, a good pen-personship is strongly expected.

Casual exercises will also be assigned almost each class to be discussed in the next class. Students are expected to be prepared for discussion, which will be an important part for the assessment category of class participation.

4. Team Presentation

Learning is one thing and applying is another. One without the other is either meaningless or incomplete or both. Thus these two components of coursework are to complement each other. The module requires the students to do two kinds of team presentations: (a) case discussion and (b) free topic presentation project. Refer to the below for more details on these two team presentation requirements.

4a. CASE DISCUSSION

For case discussion presentations, multiple case materials carefully selected from academic journals, newspapers and professional magazines will be distributed. Each case article comes with a set of discussion questions prepared by the lecturer to fit with each of the course topics.

(1) Each team is expected to take up one case. Students in each team will be asked to challenge the case as a team for in-class discussions on a weekly base. Although everyone is expected to come to the classes being prepared for discussion, the assigned team is to formally present its analysis and lead the discussion.

(2) Evaluation will be based on the overall quality of the presentation – how rigorous, disciplined, creative and how much it is to the points in issue. No written report is required but preparing printed copies of presentation slides is mandatory.

4b. FREE TOPIC PRESENTATION PROJECT

Whereas a typical economics course may stop after giving you the intuition and the proof, we want to see if we can put the concepts into actual practice and application. For this, each team is required to do an independent project – Free Topic Presentation.

(1) Each team picks an issue/case/observation that they believe is a game theoretic phenomenon in business or economic or daily life context.

(2) Each team meets regularly to bond, discuss, debate and finally come up with a formal game theoretic analysis/modeling/interpretation of the issue it chose through a half hour long presentation towards the end of course term – tentatively on **15 December.**

(3) The team leader is to submit a one-page proposal containing the followings by 3rd December.

- Names of the team members
- Tentative title of the presentation
- Brief sketch on the idea/plan of the presentation

(4) Evaluation will be based on how creative, rigorous and disciplined the analytical idea is from game theoretic and economics perspective.

Warning: Not only a direct paste from an existing source but a simple survey or a summary of an existing work would also be considered **plagiarism,** and thus will not be given a credit. No matter how naïve or primitive, the presentation should include each team's own original attempt with a creative idea. Time-management will also be an important assessment factor.

All team members receive the same evaluation for the project regardless of the individual variation in their contribution.

COURSE OUTLINE
(Note: The details of this course outline are subject to change.)

Part A: Introduction

Lecture 1 - Introduction

➢ **Topics:**

- Prologue: What is game theory and what game would we play?
  - Incentive and Bizarre Soccer Match
- Motivating Examples
  - Setting Shops on a Linear City
  - Airlines Seeking for Government Regulation
  - Pros and Cons of Game Theoretic Reasoning
- Fundamentals of a Game
  - Components of a Game
  - Importance of Common Knowledge with Examples
    - What color is your hat?
    - Dirty Face after Sparerib BBQ
    - Two Commanders on Opposite Hilltops
    - Movie: The princess Bride
  - Normal Form Games vs Extensive Form Games
- Categorization of Games We Play
  - Cooperative vs Non-cooperative Games
  - Symmetric vs Asymmetric Games
  - Zero Sum vs Non-zero Sum Games
  - Static Games vs Dynamic Games
  - Finitely Long Games vs Infinitely Long Games

- Appendix: Movie Scripts from "Princess Bride"

➢ Readings
- 'Airlines test tighter rules on baggage', New York Times, November 28, 1997
- '1994 Nobel Prize in Economics goes to Game Theorists', *The Economist*, 1994

➢ Video
- Bizarre Soccer Match
  - http://www.youtube.com/watch?v=ThpYsN-4p7w

➢ **Case/Experiment**
- 'Muddy Children Puzzle' or 'What color is my sticker?'

Part B: Static Games of Complete Information

Lecture 2 – Normal Form Games and Pre-Nash Equilibrium Concepts

➢ **Topics**

- Introduction
- Pre-Nash Equilibrium Concepts
  - Prisoners' Dilemma and Dominant-Strategy Equilibrium
    - Advertising in Tobacco Industry
    - Original Prisoners' Dilemma
    - Dominant Strategy Equilibrium
    - Additional Thinking and Other examples
      - Pricing Game, Output Game, Politics, Sports, TV Quiz Show etc
    - Managerial Implications of Prisoners' Dilemma Games
      - How to avoid?
      - Evolution of Cooperation
    - A Refreshment: Dilbert Cartoon
  - Iterated Dominance Equilibrium
    - Iterated Strict Dominance
    - Iterated Weak Dominance
  - Maximin Strategy Equilibrium

➢ **Readings**
  - 'Fruit Price War in Singapore', Strait Times, October 2002
  - 'Environment Regulation – The Irony of the Tragedy of the Commons', February 2011, the Economist

➢ **Case**
  - 'The Big Tire Blowout of 2000', F.X. Markey, *The Dismal Science*, November 2000

Lecture 3 – Nash Equilibrium

➢ **Topics**

- Introduction
  - Coordination Game and Anti-Coordination Games
    - Stag Hunt Game
    - Battle of the Sexes Game
    - Breakfast Cereal Introduction Game
  - Definition of Nash Equilibrium
  - Finding Nash Equilibrium – an Algorithm
  - A Beautiful Mind and Nash Equilibrium

- Multiple Nash Equilibria and Equilibrium Criteria
  - Focal Point (or Schelling Point)
  - Payoff Dominance
  - Risk Dominance

- No Pure Strategy Nash Equilibrium and Mixed Strategy Equilibrium
  - What is Mixed Strategy
  - Examples and Finding Mixed Strategy Equilibrium
    - Penalty Kicks and Mixed Strategy
    - Monitoring Employee
    - Matching Pennies Game
    - Tennis Game between Federer and Nadal
- Nash Theorem: Existence of Nash Equilibrium

➢ **Readings**

- 'Mission Impossible - In Search of a Stranger in New York City', *abc News*, 16 March 2006
- 'World Cup Game Theory - What economics tells about Penalty Kicks', Slate, Washington Post, June 2006
- 'Let Game Theory Begin', *Investor's Business Daily*, 25 January 1996
- 'Mating Games and Lizards – Nature's Rock-Paper-Scissors", *Mathland*, 27 April, 1996

➢ **Cases**
- 'A Beautiful Mind and Nash Equilibrium', *Movie Scenes, created by Jo*
- 'The Big Tire Blowout of 2000', F.X. Markey, *The Dismal Science*, November 2000

Lecture 4 – Applications of Simultaneous Games I: Static Oligopoly Games

➢ **Topics**

- Introduction
- Static Oligopoly Competition Models – Preliminary Discussion
  - Strategic Substitutes vs Strategic Complements
- Cournot Quantity Competition
  - Cournot Duopoly
    - Numerical model
    - General case with Linear Demand
  - N firm case
  - Asymptotic Property as number of firms increases
- Bertrand Price Competition
  - Bertrand Duopoly with Homogeneous Products
  - Bertrand Paradox and Solutions
    - Asymmetric Costs
    - Differentiated Products
    - Capacity Constraint (Kreps-Sheinkman Theorem)
- Collusive Outcome (Static Setting)
- Cournot or Bertrand?

➢ **Readings**

- Many Industries Are Congealing Into Lineup of Few Dominant Giants, *The Wall Street Journal*, 8 March 1999
- 'Competitor Analysis: Anticipating Competitive Actions', P.J. Coughlan, D. Freier, P. Lee, *Harvard Business School Case # 9-701-120*, February 2003

Lecture Note 5 – Applications of Simultaneous Games II

- ➢ **Topics**

  - Tragedy of Commons
    - Overfishing in Canada
    - An Economic Model of "Tragedy of Commons'
  - Rational Pigs Caged in a Box
    - Rational Pigs Game
    - Applications to OPEC Policing
  - Economics of Bargain Sales
    - A Game Model and Implications
  - Bribe Game (Rent Seeking Game)
  - Nash Bargaining in Static Setting

- ➢ **Readings**

  - 'Judo Economics in Action', *Harvard Business Review*, 2003
  - 'Competitor Analysis: Anticipating Competitive Actions', *Harvard Business School Case #9-701-120*, February 2003
- ➢ **Case**
  - 'Overfishing in Canadian Grand Banks'

Part C: Dynamic Game of Complete Information

Lecture 6 – Sequential Games and Subgame Perfection

- ➢ **Topics**

  - Introduction
    - Motivating Example: Arther Ashe vs Jimmy Connors in 1995 Wimbledon
    - Review of Extensive Form Games
    - Wal-Mart's Preemptive Investment Strategy
  - Equilibrium Selection in Sequential Games
    - Examples
      - Hijacking Game
      - LCA Competition between Airbus and Boeing
  - Backward Induction and Roll-Back Equilibria
    - Algorithm
    - Battle of the Sexes Game Played Sequentially
    - Wal-Mart's Preemptive Game Revisited
  - Subgame Perfection
    - Sequential Entry and Chainstore Paradox
    - Subgame Perfect Nash Equilibrium formalized
    - Centipede Game

- First Mover Advantage
  - Picking Up the Coins Game
  - Cake-Dividing Game
  - Nash Bargaining Revisited
- ➢ Readings

  - 'Game Theory and Business Strategy', *Harvard Business School Case # 9-705-407*, March 2007
  - 'Having Fun and Flying High', *The Economist*, 11 March 2004

Lecture Note 7 – Applications of Sequential Games

- ➢ Topics

  - Sequential Bargaining
    - Splitting a Candy Bag
    - Ultimatum Bargaining: Take-It-Or-Leave-It Offer
    - Alternating Offer Bargaining
  - Cournot-Stackelberg Quantity Competition
    - Introduction
    - Model and Equilibrium: Constant MC Case
    - Graphical Illustration
    - Appendix: A numerical Example with a General Cost
    - Application: Strategic Trade Policy under Quantity Competition
  - Bertrand-Stackelberg Price Competition
    - Homogeneous Product Case
    - Differentiated Product Case
    - Application: Strategic Trade Policy under Price Competition
  - Strategic Trade Policy in Greater Details
    - Brander-Spencer Model
    - Jo Model: Non-Uniform Strategic Trade Policy and Aggregate Profit Creation
  - Commitment Can Either Help or Hurt You
    - "The Fat-Cat Effect, the Puppy-Dog Ploy, and the Lean and Hungry Look"
    - Case Study: 'Philips vs Sony Market Entry for CD manufacturing'

- ➢ Readings
  - Seung-gyu Jo, "Non-Uniform Strategic Policy and Aggregate Profit Creation Effects", forthcoming (2009) , *The Scottish Journal of Economics*,
  - 'An Experimental Test of Strategic Trade Policy', H. Normann and R. Holloway, Journal of Economic Behavior and Organization, vol.64, 2007, pp.144-156.
  - Fudenberg and Tirole (1984), "The Fat-Cat Effect, the Puppy-Dog Ploy, and the Lean and Hungry Look", *American Economic Review* 74, pp. 361-366.
- ➢ Case

  - 'All is Fair, Even in Love – Game Theory Behind Engagement Rings', Tim Harford, *BBC Online*, August 2006

Lecture 8 – Repeated Games and Folk Theorems

➤ **Topics**

- Introduction
    - Price Rigidity in Oligopoly Markets
    - Explicit and Tacit Collusion
- Finitely Repeated Games
    - When Stage Game Has a Unique Equilibrium
    - When Stage Game Has Multiple Equilibria
    - Folk Theorem in Finitely Repeated Games (Benoit and Krishna)
    - Renegotiation-Proof Equilibrium (RPE)
- Infinitely Repeated Games
    - Grim Trigger Strategy and Tacit Collusion
    - Managerial Implications
- Folk Theorems: Formalization
    - Folk Theorem 1 (Friedman) and Applications
    - Folk Theorem 2 (Fudenberg and Maskin) and Applications
- Final Remarks on Trigger Strategies
- Tit-for-Tat Strategy
    - Tacit Collusion under Tit-for-Tat
    - Comparing Grim Trigger Strategy and Tit-for-Tat Strategy
    - Managerial Implications
    - Experimental Study Result

➤ **Readings**

- 'Hold or Fold? – The War of Attrition', *Harvard Business School Case 9-794-092*, 1998
- 'Economics of OPEC', *The Economist*, 5 April 2005
- 'Government Sues American Airlines Accusing it of a Predatory Pricing', *New York Times*, 14 May 1999

➤ **Cases**

- 'Fruit Price War in Singapore Ang Mo Kio', *Strait Times*, 4 October 2002
- 'Government Sues American Airlines Accusing it of a Predatory Pricing', *New York Times*, 14 May 1999

Lecture Note 9 – Applications of Repeated Games and Folk Theorems

➤ **Topics**

- Tacit Collusion in Repeated Bertrand Duopoly
- Tacit Collusion in Repeated Cournot Duopoly

➤ **Reading**

- The Evolution of Cooperation, R. Axelrod, *Peruses Books Group*, 2006

Lecture Note 10 – Strategic Moves

➢ **Topics**

- Introduction
    - Talk is Cheap
    - Empty Promises and Empty Threats
    - How to Make it Work?
        - How to Handle Lazy Suppliers
        - Reduce Your Payoffs: Hostile Takeover Game and Poison Pills
        - Remove Your Strategies
        - Intentionally Irrational Behavior
- Importance of Commitment
    - 'Burning Ships'
    - 'Brinkmanship'
- Games of Chicken and Strategic Move
    - Haw-Dove Game
    - Chicken Game in 'West-Side Story'
    - Chicken Run in 'Rebel Without a Cause'
- Predatory Conduct: Extra-Capacity as an Entry-Deterring Device
    - Predatory Conduct and Entry Deterrence
    - Stylized Facts on Market Evolution
    - Limit Pricing as a Predation Conduct
    - A Formal Model of Entry Deterrence through Extra Capacity (Dixit)
- Nuisance Suits and Pre-commitment
    - Background
    - Nuisance Suits Models
- Other Strategic Moves to Go Beyond Prisoners' Dilemma in Pricing Game
    - Cross Shareholding
    - Customers as Hostages: Promises
        - Most Favored Customer Clause
    - Customers as Hostages – Threats
        - Price Matching Guarantee Policy

➢ **Readings**

- 'Pentagon Study: Irrational Nuclear Policy as a Deterrent', *CNN*, 1 March 1998
- 'Beauty of Third-Party-Contract: Learn from The Godfather', *Game Theory and Business Strategy*
- 'All is Fair in Love, War, and Poker', T. Harford, *Trust Me I'm an Economist, BBC News*, 17 August 2006
- 'Lose the Weight, or Wear the Bikini on TV', *ABC News*, 15 March, 2006
- 'Anomalies:The Ultimatum Game', R. Thaler, *Journal of Economic Perspectives*, vol.4, no.2, pp.195-206
- 'Judo in Action', K. Corts and D. Freier, *Harvard Business School Case* no. 9-703-454, June 2003
- 'Conspiracy at State College Slate, Jonathan Chait,*The Associated Press*, 18 October 2002
- ' Evaluating M&A Deals – How Poison Pills Work', C.Y. Baldwin, *Harvard Business School Case*, no. 9-208-061, October 2007

> Cases
> - 'Chicken Game in Semiconductor Industry'
> - 'Small Entrants and Large Incumbents – Softsoap Industry Dynamics'
> - 'Strategic Diet'
> - 'Takeover Battle between Macys and Campeau over Federated'
> - 'Game Theory Coming to the Theater Near You'

Part D: Static Games of Incomplete Information

Lecture Note 11 – Static Games of Incomplete Information

> Topics
>
> - Introduction
>   - Imperfect Information vs Incomplete Information
>   - Harsanyi Transformation
>   - Bayesian Nash Equilibrium
> - Static Entry-Deterrence Game under Incomplete Game
> - Battle of the Sexes Game under Incomplete Information
> - Cournot Duopoly under One-sided Asymmetric Information
> - Who pays to Catch the Annoying Mouse?
>
> Applications
>
> - Auctions
>
> Readings
> - '2001 Nobel Prize goes to Asymmetric Information Game Economists,', *The Royal Swedish Academy of Sciences Information for the Public*, October 2001

Part E: Dynamic Games of Incomplete Information: Signaling and Screening

Lecture Note 12 – Dynamic Games of Incomplete Information

> Topics
>
> - Introduction
>   - Drawback of Subgame Perfection in Incomplete Information Games
>   - Perfect Bayesian Nash Equilibrium
> - Motivation: Uncertainty and Incomplete Information Games
>   - Example: Auto Insurance Problem
> - Adverse Selection, Screening and Signaling
>   - What is Adverse Selection Problem?
>   - Lemon Market Problem

- Auto Insurance and Screening
  - Flat Uniform Premium
  - A Screening Game
  - Separating Equilibrium and Pooling Equilibrium
- Job Market Signaling
  - Education as a Signal
  - Separating Equilibrium and Pooling Equilibrium
- Moral Hazard and Incentive Scheme
  - Principal-Agent Problem
    - A Straight Wage
    - A Bonus Plan
    - Revenue Sharing
- Predatory Pricing and Role of Incomplete Information
  - Recent Developments on Predatory Conducts
  - Predation and Incomplete Information

➢ **Readings**

- 'Lemon economics - An Economist's Perspective on Advertising', *The Financial Times*, 14 March 1997
- 'Anomalies:The Winner's Curse', R. Thaler, *Journal of Economics Perspectives*, vol.2, no.1, 191-202
- 'The Agony of Victory - Online Auctions and the Winner's Curse ', B. Gottlieb, *Slate*, 19 March 1999
- 'The Wild One – Are Motorcycle Helmets Dangerous?', D. Teresi, *Forbes*, March 5, 1999
- Why Merit Pay Will Improve Teaching, *City Journal*, Steven Malanga , Summer 2001
- 'Building a Better Carrot', H. Rosenberg, *CFO Magazine*, June 01, 2001
- 'More Sex is Safer Sex: The Economic Case for Promiscuity', S.E. Landsburg, *Slate*, July 6, 1996

➢ **Cases**

- Arts, H.(2008), "Price War among Dutch Supermarkets – Competitive or Predatory?"
- 'Starbucks and the Bean Stocks – How to Handle Moral Hazards'

International Finance and Investment Theory

(M.A. in Business and Managerial Economics)

Feb-April 2012

Soraphol Tulayasathien, Ph.D., CFA

(Email: dr.soraphol@gmail.com)

Course Description:

The main objective of this course is to provide students with a conceptual framework of financial and investment decision-making within an international context. The course composes of three broad sessions as follows:

The first session provides students with foundation on international financial management with introduction to international monetary mechanism and balance of payment as well as introduction to trade and investment regulations.

The second session familiarizes students with world financial markets and instruments, covering foreign exchange rate and swaps markets as well as international bonds and equity markets.

The third session covers the theoretical and practical aspects of international financial risk and investment management, including FX and interest rate risk management and trade financing.

<u>Textbook:</u> International Financial Management, 5th Edition, C.S. Eun and B.G. Resnick

<u>Grade:</u>   50% Group Project and 50% Final

Tentative Syllabus

Lecture #1 Introduction   Tue Feb 14, 6pm - 9pm
            (Chapter 1)

Lecture #2 International Monetary System and Balance of

Payments   Sat Feb 18, 9am - noon
            (Chapters 2 & 3)

Lecture #3 International Trade and Negotiations   Sat Feb 18, 1pm - 4pm
            (Class Handout)

Lecture #4 Foreign Exchange Market   Tue Feb 21, 6pm - 9pm
            (Chapter 5)

Lecture #5 Parities in International Finance   Sat Feb 25, 9am - noon
            (Chapter 6)

Lecture #6	FX Forward	Sat Feb 25, 1pm - 4pm
	(Class Handout)	
Lecture #7	FX Futures and Options	Tue Feb 28, 6pm - 9pm
	(Chapter 7)	
Lecture #8	Management of FX Exposure	Sat Mar 3, 9am - noon
	(Chapters 8 - 10)	
Lecture #9	Management of FX Exposure (cont.)	Sat Mar 3, 1pm - 4pm
	(Chapters 8 - 10)	
Lecture #10	International Banking and Money Market	Tue Mar 6, 6pm - 9pm
	(Chapter 11)	
Lecture #11	International Bond Market	Sat Mar 10, 9am - noon
	(Chapter 12)	
Lecture #12	Interest Rate and Currency Swaps	Sat Mar 10, 1pm - 4pm
	(Chapter 14)	
Lecture #13	Trade Finance	Tue Mar 13, 6pm - 9pm
	(Chapter 20)	
Lecture #14	Project Presentation	Sun Apr 1, 9am - noon
Lecture #15	Project Presentation	Sun Apr 8, 9am - noon
Final Exam		To be announced

MABE
Money and Financial Management in Economic Development
October - November 2012

Instructor: Dr. Cholachit Vorawangso Virakul, email: cholachit@fispri.org

Time: November 2012

Course Description: The main objective of this course is to analyse the role of money and finance in economic development; theories and empirical studies of the effect of monetary policy on economic development; financial institution and money market in developing countries; the government's role in policy making and developing money and capital markets and system for economic development.

Required Textbook: The Economics of Money, Banking, and Financial Markets, 9th ed., Frederic Mishkin.

Course outline: This course examines important issues in the rapidly evolving area of international financial markets. By employing a blend of theoretical concepts, empirical evidence and some applications, the intention is to increase knowledge and promote understanding of money and international financial markets within the framework of modern finance theory. In accordance with the aforementioned course description, the course consists of four broad sessions as follows:

The first part is to introduce students to the overview of money and finance.

The second session explores an overview of the study of financial markets and institutions. To study the effects of financial markets and financial intermediaries on the economy, we must first acquire an understanding of their general structure and operation.

The third part concentrates on a conceptual framework of the international financial system and foreign exchange market.

The last session focuses on monetary theory and policy. Case experiences/studies of the implication of monetary policy will also be discussed during the progress of this session.

The topics covered are outlined as follows:

Part 1: Introduction to Money and Financial Markets

Part 2: Finance and Financial Markets

1. Interest Rates and Debt Securities
2. Stock Market the Theory of Rational Expectations, and the Efficient Market Hypothesis
3. Banking and Financial Institutions

Part 3: International Finance
1. The Foreign Exchange market
2. The International Financial System

Part 4: Monetary Economics

1. Monetary Theory
2. Monetary Policy
3. Empirical Evidence and Implication of Monetary Policy

Additional reading materials will be assigned during the course. The assigned text should not be taken as the only "textbook" of the course. Students are encouraged to consult, in addition to lecture notes, other related materials.

Exams and Grading: Date to be announced. Exams will account for no less than 90% and up to 10% may be determined by assignments or participation during the course.

GENERAL INFORMATION: Classes meet on certain weekdays; tentative dates for lectures, tutorial sessions and examination are in the syllabus. Any change to the lecture dates will be announced in class and may be accessed at http://pioneer.netserv.chula.ac.th/~achairat. Students are strongly advised to attend lectures, for attendance will be checked randomly and be used partially to adjust grade distribution. Since lecture materials involve mathematical statistics and economic intuitions and thus may be difficult at times, please attend classes punctually and read reading assignments beforehand. Attendance is highly recommended for tutorial sessions. They are designed to help you with homework assignments and to provide an additional avenue to learn econometrics. For computing assignments, you can utilize EVIEWS 4.1 available in our computer service center, room 316. My office is room number 519; phone number, 2218-6291 and 2218-6215; email, chairat.a@chula.ac.th.

Below are course syllabus, outline and reading assignments, lecture and tutorial schedule.

Course Syllabus: Quantitative Methods of Economic Analysis

1.	Course Number	2949605
2.	Course Credit	3
3.	Course Title	Quantitative Methods in Economic Analysis
4.	Faculty / Department	Faculty of Economics
5.	Semester (First / Second / Summer)	First Term
6.	Academic Year	2008
7.	Instructor / Academic Staff	Assistant Professor Chairat Aemkulwat, Ph.D.

8. Condition
    8.1 Prerequisite   –
    8.2 Corequisite   –
    8.3 Concurrent   –
       Students are assumed to have familiarity with basic calculus, probability, and mathematical statistics. Read Wooldridge (2006), Appendix A, B, C for those who have an inadequate background in these areas. Basic computer literary will be needed to complete the problem sets.

9. Status (Required / Elective)   Required Course

10. Curriculum   Master of Arts Program in Business and Managerial Economics

11. Degree   Master of Arts

12. Hours / Week   12

13. Course Description

This course is intended to provide an introduction to regression analysis with cross-section and time-series data; topics include estimation, statistical inference, functional form, unit of measurement, asymptotics, prediction, dummy variables, heteroskedasticity, serial correlation, weakly dependence and highly persistence.

14. Course Outline

14.1 Learning Objectives / Behavioral Objectives

Our main objective is to develop familiarity with a variety of linear statistical techniques prevalently used in the analysis of business and economic data. Where appropriate, these techniques will be studied on a theoretical basis. Our emphasis will also be placed on applications using EVIEWS, a statistical software, to derive results for economic interpretation. As a byproduct, we hope that you develop certain theoretical and computing skills to be able to conduct your own analysis and understand various econometric findings that are crucial for policy decision-making.

14.2 Learning Contents

I. Overview: Nature of Econometrics   **II. Regression Analysis with Cross-Section Data**   1. Simple Regression Model: Estimation
2. Logarithmic Functional Form and Units of Measurement
3. Multiple Regression Analysis : Estimation
4. Inference: Hypothesis Testing and Confidence Interval   5. Multiple Regression Analysis: Asymptotics
6. Quadratic and Interactions   7. Prediction
8. Dummy (Binary) Explanatory Variable
Midterm
9. Heteroskedasticity
III. Regression Analysis with Time-Series Data   10. Dummy Dependent Variable
11. Basic Time Series Regression Analysis
12. Trends and Seasonality
13. Weakly Dependent and Highly Persistent Time Series
14. Serial Correlation and Heteroskedasticity
Final

14.3 Method
- ❏ Lecture   hour/time/period/ 70 percent
- ❏ Lecture and discussion   hour/time/period/ 20 percent

☐ Brainstorming and discussion of case study so that students learn to analyze and solve problems

hour/time/period/ 10 percent

☐ Making a summary of the main points or presentation of the results of researching or the assigned tasks hour/time/period/percent)

–

14.4 Media

☐ Visualizer media - opaque sheets   5 percent
☐ Powerpoint media   90 percent
☐ Electronics and website media   5 percent

14.5 Assignment through Network System

14.5.1 Assiging and Submitting Method
Homework assignments can be obtained from my website,

http://pioneer.netserv.chula.ac.th/~achairat .

14.5.2 Learning Management System
Solutions to assigned exercises are given and lecture notes and pertinent announcements can be obtained from my website.

14.6 Evaluation

14.6.1 Assessment of academic knowledge   85 percent
14.6.2 Assessment of work or classroom activities   –
14.6.3 Assessment of the assigned tasks   15 percent

GRADING SYSTEM: Grade will be based 15 percent on homework assignments, 40 percent on the midterm examination and 45 percent on the final. Grade distribution is as follows: 90-100 is A; 80-89, B+; 70-79, B; 0-69, F-C+.

15. Reading List

15.1 Required Text
Wooldridge, Jeffrey, M., *Introductory Econometrics: A Modern Approach, Third Edition* (Australia: Thomson, South-Western), 2006.

15.2 Supplementary Texts
Eviews 4 User's Guide, Quantitative Micro Software, 1994-2000.
Gujarati, D., *Essentials of Econometrics* (2e), McGraw-Hill, 2005.
Gujarati, D., *Basic Econometrics* (4e), McGraw-Hill, 2003
Johnston, J. and DiNardo, J., *Econometric Methods* (4e), McGraw-Hill, 1997.
Kennedy, P., *A Guide to Econometrics,* (3e), The MIT Press, 1994.
Pindyck, R. and Rubinfeld, L., *Econometric Models and Economic Forecasts* (4e), McGraw-Hill, 1998.
Ramanathan, R. *Introductory Econometrics with Applications*, (5e), Thomson, 2001
Theil, H., *Principles of Econometrics,* John Wiley, 1976.

15.3 Research Articles / Academic Articles (If any)
15.4 Electronic Media or Websites
http://pioneer.netserv.chula.ac.th/~achairat
http://www.msu.edu/~ec/faculty/wooldridge/books.htm
http://aise.swlearning.com

OUTLINE AND READING ASSIGNMENTS

I.   Overview: Nature of Econometrics
    Wooldridge, Chapter 1
    Wooldridge, Appendix A, B, and C

II.   Regression Analysis with Cross-Section Data
1. Simple Regression Model: Estimation
    Wooldridge, Chapter 2
2. Logarithmic Functional Form and Units of Measurement
    Wooldridge, Appendix A.3-A.4; Chapter 2.4 and 6.1-6.2
3. Multiple Regression Analysis: Estimation
    Estimation: *Wooldridge, Chapter 3*
    Omitted Variable Bias: *Wooldridge, Chapter 3.3 (pp. 89-95)*
    Multicollinearity: *Wooldridge, Chapter 3.4 (pp. 96- 100)*
4. Inference: Hypothesis Testing and Confidence Interval
    Wooldridge, Chapter 4
5. OLS Asymptotoics: Estimation and Inference
    Wooldridge, Chapter 5
6. Further Issues in Multiple Regression Analysis
    Quadratic and Interaction Terms: *Wooldridge, Chapter 6.2*
    (Adjusted) R-Squared and Selection of Regressors, *Chapter 6.3*
7. Prediction
    Wooldridge, Chapter 6.4
8. Dummy (Binary) Explanatory Variable
    Wooldridge, Chapter 7
9. Heteroskedasticity
    Wooldridge, Chapter 8
10. Other Topics:
    Dummy Dependent Variable: *Wooldridge, Chapter 7.5 and 8.5*
    Functional Form Misspecification: *Wooldridge, Chapter 9.1*

III.   Regression Analysis with Time-Series Data
1. Basic Time Series Regression Analysis
    Wooldridge, Chapter 10
2. Weakly Dependent and Highly Persistent Time Series
    Wooldridge, Chapter 11
3. Tests for Unit Roots
    Wooldridge, Chapter 18.2-18.4 (pp. 578-592)
4. Serial Correlation and Heteroskedasticity
    Wooldridge, Chapter 12

Research Methods and Workshop in Business and Managerial Economics

Lecturer: Dr. Randall Shannon (02-206-2000 ext. 2101)
A.Randall@Gmail.com

Textbook: Marketing Research Essentials, 8th edition.
By McDaniel and Gates

Course Description: Study of the processes involved in market research methodology including: problem definition, research design, questionnaire design, sampling, data analysis, the presentation of the research findings and recommendations.

This course is designed using the concept of problem-based learning, thus each group is given a problem (project) to work on. Students are taught how to add structure to the problem by searching for secondary data, both towards developing a more comprehensive background, but also in hopes they can find theories and past research studies and learn about the constructs and measures used. While the emphasis is on business research and decision-making, academic research is repeatedly shown as contrast. Several issues are also raised about conducting research in Asian countries, such as age, over-claiming (politeness bias), number of scale items (such as including neutral or not), time pressure, quality of self-completion versus face-to-face interviews, language issues, and other points that can affect research in Asia or cross-cultural research.

Each team must develop a proposal after receiving their project briefing, then proceed to develop a questionnaire, collect fieldwork, input the data, analyze it using a variety of statistical techniques, and then present the findings and submit a detailed report.

Course Objectives:

1. To provide an introduction and general background in the field of marketing research. What it is, who might use it and why...
2. Students will come to see the potential benefits of market research from a management perspective.
3. Students will learn to both read and develop charts used for conveying information in presentations.
4. Students will put their knowledge to test by conducting a research survey and presenting the findings.

Grading and Evaluation:

Proposal, Constructs, Questionnaire	30%
Research report & presentation	30%
Final examination	40%

Please note: Attendance and participation is <u>required</u> in this course. Anyone <u>not contributing</u> to the group project may **lose points** and may even be dropped from the group.

There will be many hands-on exercises in class, so each team should bring at least one laptop with SPSS installed on it.

Research Methods and Workshop in Business and Managerial Economics

Week	Topic & Details
1 Oct 1	The Role of Marketing Research The Research Process: + Problem Definition
2 Oct 4	Secondary Data + Literature Review ***Assignment of Group Research Projects*** (Submit proposal and motivations to me by Oct. 3)
3 Oct 6 (9-12)	Measurement and Scales
4 Oct 6 (1-4)	Questionnaire Design (Submit questionnaire to me by Oct. 7)
5 Oct. 7 (1-4)	Primary Data Collection: Survey Research
6 Oct. 8	Sampling Issues, Determining Sample Size (Make sure questionnaire is finalized)
7 Oct 11	Data Entry, Data Processing and Analysis (Need laptop + final version of questionnaire)
8 Nov 3 (9-12)	Qualitative Research
9 Nov 3 (1-4)	Data Cleaning, Processing and Analysis (Need laptops) MUST have all data entered from survey and ready to analyze hands-on
10 Nov 4 (9-12)	Data Analysis, Applied Statistics (Need laptops)
11 Nov 4 (1-4)	Data Analysis, Applied Statistics (Need laptops)
12 Nov 19	Observation & Experimentation
13 Nov 22	Communicating Research Results, Data Reduction
Nov 25	***Final Examination*** Nov. 25th 9-12 a.m.
Dec 8 (9-12)	Group Research Presentations: ***Submit Projects***
Dec 8 (1-4)	Group Research Presentations: ***Submit Projects***

Master of Arts Program
In Business and Managerial Economics
Faculty of Economics, Chulalongkorn University

Subject : 2949658 Economics of Risk Management

Number of credits : 3 credits

Course Description: Introduction of derivatives and risk management, covering risk managing tools such as options, forwards, futures and swaps, as well as the risk management techniques and applications in organizations.

Instructors : Kanjaraj Tangtatswas, FRM

Academic Year : 2012 (December 2012 – January 2013)

Assessment :
1. Class attendance and participation 10%
2. Quiz and Assignments 30%
3. Final Exam 60%

Textbook:
1) Don M. Chance and Robert Brooks, An Introduction to Derivatives and Risk Management, 9th edition, International Edition, South-Western CENAGE Learning

Other recommended material:
1) John C. Hull, *Fundamentals of Futures and Options Markets, International Edition (Seventh Edition)*, Pearson / Prentice – Hall

Course Outline

Session	Date & Time	Topic	Book Chapter
1	Sat 24/11 Morning	Introduction to risk management and derivatives	1 & 16
2	Sat 24/11 Morning	Options and risk management	2 & 3
3	Mon 26/11 Evening	How to value an option – Binomial model	4
4	Thu 29/11 Evening	How to value an option – Binomial model	4
5	Thu 6/12 Evening	How to value an option – Black-Scholes-Merton model	5
6	Tue 11/12 Evening	Option strategies	6 & 7
7	Thu 13/12 Evening	Futures and forwards – Stock, gold, oil	8, 9 & 11
8	Tue 8/1 Evening	Foreign exchange risk – FX forwards and swaps	10, 11 & 12
9	Thu 10/1 Evening	Foreign exchange risk – FX forwards, swaps and options	10 & 11
10	Sat 12/1 Morning	Interest rate risk – PV01 and duration	
11	Sat 12/1 Afternoon	Interest rate risk – Bond future	10 & 11
12	Tue 15/1 Evening	Interest rate risk – Interest rate forward and interest rate swaps	12 & 13
13	Thu 17/1 Evening	Credit risk – Credit default swaps	15
14	Sat 19/1 Morning	Value at Risk (VaR)	15
15	Sat 19/1 Afternoon	Course wrap-up	
16	Sat 26/1	**Final Exam (3 hours)**	

MABE – International Management Consulting Module 2013

Lecturer: Prof. Dr. Rolf-Dieter Reineke (RDR) – first part
Dr. Oliver Gottschall (OG) – second part

Date / Time Lecturer	Content / Topic
23 Jan. 2013 18.00 – 21.00 RDR	Welcome, goals, expectations, Get to know each other, course overview What is and why do we need consulting? Roles of the consultant House of Consulting Competence Standard consulting project types (short case studies)
25 Jan. 2013 18.00 – 21.00 RDR	The consulting process and the project cycle Consulting process (1) - Diagnosis (As-Is): Situation definition
26 Jan. 2013 09.00 – 16.00 RDR	Consulting process (1) - Diagnosis (As-Is): Information gathering, communication in consulting, creativity techniques, information consolidation
28 Jan. 2013 18.00 – 21.00 RDR	Consulting process (2) - Goal setting (To-Be) - Analysis Presentation style and storyboarding
30 Jan. 2013 11.30 – 17.00 RDR	Company Visit (The PAC): 11.30: Departure at Chula by bus, lunch at the bus, 13.00 to 16.00 company visit, around 17.00 back at Chula Application of diagnosis tools during the company visit
01 Feb 2013 18.00 – 21.00 RDR	Consulting process (3) - Decision making - To-Be concept - Implementation and delivery planning
02 Feb 2013 09.00 – 16.00 RDR	Presentation of analysis results based on company visit The cycle of change and change management

Date / Time Lecturer	Content / Topic
06 Feb. 2013 18.00 – 21.00 OG	Consulting in past and present Introduction to the Luxotel consulting case
08 Feb. 2013 18.00 – 21.00 OG	Problem-solving on Luxotel consulting case Introduction to interview techniques for consultants
09 Feb. 2013 09.00 – 16.00 OG	Influencing techniques and "speed-dating game" Case presentation
11 Feb. 2013 18.00 – 21.00 OG	Final Exam

ENTREPRENEURIAL & STRATEGIC MANAGEMENT

Professor:

Mikkel Draebye : mikkel.draebye@sdabocconi.it

Course Syllabus

A firm's ability to survive and succeed in an increasingly competitive global arena depends on its ability to understand the competitive arena, asses firm resources and capabilities and to enact strategic responses. The main objectives of this course are to sharpen students' understanding of the strategy analysis process in the extended industry environment in which firms operate, and of the processes through which firms develop and implement strategies in an effort to compete effectively in that environment. The course provides analytical tools and mental models that aid students' understanding and decision-making.

The course aims at identifying, analysing and understanding the impact of the key structural elements and characteristics of industries and the manner in which firms in those industries compete (and cooperate) with each other in terms of resources and capabilities, costs, differentiation, market segmentation, and implementation. Students should gain a better understanding of the relationship between industry structure and overall industry profitability, the firm's position within the industry and its profitability vis-à-vis the industry average, and the processes through which strategy is enacted.

The program is a highly interactive course on strategy analysis, and covers relevant topics for companies facing global markets.

Through a series of readings, case studies and projects students will be expected, both individually and in groups, to integrate their knowledge about the functional components of business to make strategic decisions and to justify those decisions through oral and written communication. The course will be conducted in English and will include both individual and group assesment. Attendance is necessary for all students expecting to pass the course, as this sequence requires a significant amount of work, both inside and outside of class. It is intended for those students committed to developing their skills and expanding their knowledge of Business Strategy in the global competitive arena.

Course Content :

Part 1: Strategic analysis and planning for start-ups: Business Planning
- The entrepreneurial process
- Idea & Opportunity Evaluation
- Strucuture & Style of a Business Plan
- Financial Forecasting
- Pro-forma financial statement

Part 2- Strategic management

Part 2.1- Strategic management
- Concept of strategy
- Levels of strategy
- Strategy Process
- Goal setting and formulation
- Relevance of Value
- Performance measurement

Part 2.2 – Methods and techniques for Strategy analysis
- Industry definition
- Drivers and determinants of attractiveness
- Application of industry analysis
- Extending industry analysis
- Competitor and segmentation analysis
- Application of segmentation analysis
- The role of resources and capabilities in strategy
- Appraising the profit earning potential of resources and capability
- Application of Resource and capability analysis

Part 2.3 – Competitive Advantage
- Nature of competitive advantage
- Sustainability of competitive advantage
- Analysing competitive advantage
- Analysing and developing cost advantage
- Analysing and developing differentiation advantage
- Application of competitive analysis analysis

Each block will be devoted to a combination of theoretical analysis, case discussion, and/or student presentations and will include the following:
1. The analysis and discussion of specific theoretical models (see the course outline for the details of assigned readings).
2. The analysis and discussion of business problems - including the search for alternative solutions and their ramifications - which will be presented in the form of case studies (see course outline for the details of assigned cases).

Because the course will emphasize the use of facts, figures, numbers and examples that support ideas and concepts, all students are expected to read the syllabus and come to class prepared to contribute to discussions and group activities. "Prepared" means having read the assigned materials in advance of class, and invested the needed time and effort to develop insightful opinions.

Course policies

Attendance. Attendance is strongly recommended at all regular class meetings. The class discussions on business cases will provide key elements for the exams and the final evaluation.

Class participation. Class discussions are an essential component of the learning process.
Your full participation is expected in the discussion of assigned readings and general course themes. You are expected to complete the readings assigned for each tutorial session in advance of that session, and to attend class prepared to discuss the ideas set forth in those readings. The duly preparation is especially important for the discussion of business cases.
Some of the criteria I shall apply in evaluating your contributions may include:
– Are the points made relevant to the discussion?
– Do they go beyond a mere recitation of case facts, and are implications clearly
drawn?
– Is there evidence of analysis rather than expressions of opinions?
– Are the comments linked to those of others?
– Did the contribution further the class's understanding of the issues?
– Is the participant a good listener?

Office hours. See the Internet site for current office hours. You are encouraged to use e-mail whenever you have specific questions, concerns or suggestions outside of class.

Readings and exams

The **textbooks** used for this course are:

McKinsey: Starting UP
Robert M Grant, "Contemporary Strategy Analysis"7th edition, Blackwell Publishing 2010

Cases will include

Business Plan A

Business Plan B

Madonna Case

Laura Ashley Case

US Airline Case

Harley Davidsson

Wal Mart

Final grade

The final grade will consist of these elements:

-    **30% Business Plan Group Project**

- **30% Company Strategy Group Project**
- **30% individual final exam (to be held in class, closed books)**, evaluated on the basis of points attributed to each question, weighted for importance. You will be asked to take the final exam in the form of a multiple-choice questionnaire, definition of concepts, application of theoretical models to examples. The Final Exam will be held in class, with closed books.
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- **10% Class participation:** The overall individual grade can be upgraded (*up to 5 points*) for *relevant* contributions to the class discussions and/or excellent task accomplishment.

Syllabus changes. This syllabus could be subject to variations. Any variation in the rules or in the course schedule and topics will be communicated in class.

COURSE OUTLINE

Entrepreneurial Management

N. Sess (half day sessions= 3 hours)	Date	Session topics	Cases	Text Book Chapter
1	5/11	The Entrepreneurial Process & Opportunity Evaluation	Kurt and John Bauer Case	
2	6/11	The Entrepreneurial Process & Opportunity Evaluation		'
3	6/11	Business Idea Presentations		
4	7/11	Business Planning	Business Plan A Business Plan B	McKinsey Starting UP
5	8/11	Business Planning	Business Plan A Business Plan B	McKinsey Starting UP
6	8/11	Financial Forecasting	Speedy Gonzales Case	McKinsey Starting UP
7	9/11	Proforma Financial Plannin	Ashanka Sen	McKinsey Starting UP

Strategic Management

8	29/11	The Concept of strategy. Definitions, levels and Processes	Madonna Case	Grant Ch 1
9	30/11	Industry analysis -1	Us Airlines	Grant ch 3
10	30/11	Industry analysis -2		Grant Ch 4
11	3/12	Resource analysis -1	Canon	Grant ch 5
12	11/12	Resource analysis -2		Grant Ch 6
13	12/12	Competitive Strategy -1		Grant ch 8
14	13/12	Competitive Strategy -2	Walmart	Grant ch 9
15	14/12	Competitive Strategy -3	HarleyDavidsson	Grant ch 10
EXAM	19/12			