

Economics

ECON S-1911. Capital Acquisition and the Investment Banking Process (CRN: 31601)

Wan Wong Sun-Wai

This course highlights the capital acquisition process and the role investment banks play. Corporations raise capital by issuing different instruments. Each of the instruments sends different signals to market participants. This course evaluates these signals empirically by measuring the long run price performance of issuing firms. The topics covered include the initial public offering (IPO) process and the role investment banks play, IPO valuation, and IPO underpricing. Additional topics include seasoned equity offerings, private placements, motivation and incentives to issue such securities, cost of issuance and the factors that influence the choice between public versus private placement. A substantial portion of the course deals with the recent innovations in the equity market and the conduct of financial institutions in the equity market.

ECON S-1912. Crashes, Panics, Recovery, and Financial Strategy (CRN: 31661)

Wan Wong Sun-Wai

Financial markets occasionally exhibit wide swings. Examples of this "excess volatility," often termed crashes, panics, and recovery, provide significant challenges to traditional economic paradigms which assume that individuals are "rational," meaning they make optimal decisions based on the information available to them, and an objective analysis of that information. The recent behavioral finance literature offers an alternative in which individuals make systematic mistakes in the way they process information and may not behave rationally. The course will cover the basic assumptions of behavioral finance and how this new field is used to explain several of the classical anomalies in financial empirical studies. A second module examines the implications of behavioral finance for corporate financial strategies. It will use Harvard Business School cases designed to provide an opportunity to (1) integrate the firm's financial decisions; (2) demonstrate the relationship between corporate finance and other fields of finance; (3) introduce the notion of financial strategy; and (4) show the relationship between finance and other management functions. The two modules are integrated to emphasize the relationship between behavioral finance and complex financial strategies.

ECON S-1941. Derivatives and Risk Management: Analytics and Applications (CRN: 31602)

Kishore K. Yalamanchili PhD, Vice President of Fixed Income, State Street Research

Lal C. Chugh PhD, Professor of Accounting and Finance, University of Massachusetts, Boston

This is a course on the analytics of financial derivatives and risk management. The course will examine the pricing of (and hedging with) options, futures, and swaps. It will review the necessary concepts from fixed income securities (such as Duration). This course will also cover Value at Risk (VaR), and the calculation of VaR both for a single security as well as for portfolios. The concept of insurance as a risk management tool is also discussed. The course includes discussion of practical applications of risk management tools.

ECON S-1316. Economic Development in India and East Asia (CRN: 31522)

Subramanian Swamy PhD, Associate of the Department of Economics, Harvard University

This course will review the modern economic development and reforms of the Indian economy, comparing it to Chinese and other East Asian economies. It will identify likely possible strategies and paths of economic development that are required in the context of globalization, privatization, and competition policy consistent with GATT clauses and WTO rules. Topics covered will also include: population growth, the concept of governance, differing approaches to ownership and poverty elimination, an analysis of why the Soviet-style command economy failed in India and China, the impact of information technology, and the future course of reforms. The course will review the quantitative performance of these economies, their respective strengths and weaknesses, and the likely scenario in these countries in the next two decades of the new millennium.

ECON S-196. Electronic Commerce Strategies (CRN: 31529)

Janis Lee Gogan DBA, Assistant Professor of Computer Information Systems, Bentley College

This course examines the strategic opportunities and challenges of exchanging goods and services over networks. Students will learn how companies plan electronic commerce initiatives and harness networked hardware and software capabilities to improve their relationships with customers, suppliers, and other business partners. Case studies and exercises will help students learn how to analyze e-commerce opportunities and risks, and to plan and implement effective e-commerce strategies for both established firms and startups in a variety of industries. Consideration will be given to regulatory, ethical, and societal implications of specific strategic choices.

ECON S-1900 Section 1. Financial Accounting (CRN: 30071)

Richard A. Rivers DBA, Professor, School of Accountancy, Southern Illinois University, Carbondale

This course is an introduction to financial accounting, its concepts, and the techniques of recording, summarizing, and reporting the flow of financial information through the entity concerned. It offers an understanding of the information flow process and the necessary techniques for analysis and evaluation of the firm's potential in light of historical data.

ECON S-1900 Section 2. Financial Accounting (CRN: 30072)

Richard A. Rivers DBA, Professor, School of Accountancy, Southern Illinois University, Carbondale

This course is an introduction to financial accounting, its concepts, and the techniques of recording, summarizing, and reporting the flow of financial information through the entity concerned. It offers an understanding of the information flow process and the necessary techniques for analysis and evaluation of the firm's potential in light of historical data.

ECON S-1560. International Business (CRN: 30069)

Malcolm J. Matthews MSc, Director, TAL Apparel Ltd., Director, Singer NV

Lal C. Chugh PhD, Professor of Accounting and Finance, University of Massachusetts, Boston

This course focuses on the environment of international business. It considers the activities of multinational firms, and government policies toward them, drawing policy implications for the management of these enterprises. The course surveys theories of international trade, foreign direct investment, international financial institutions, differences in political economy and culture, barriers to trade, foreign exchange, business-government relations, and the strategic alternatives available to companies operating in the global economy. It goes on to consider strategic options for the major functions of marketing, manufacturing, materials management, research and development, human resources, and finance, relating them to the firm's overall global strategy.

ECON S-1562. International Business and Global Economic Systems (CRN: 31642)

Lal C. Chugh PhD, Professor of Accounting and Finance, University of Massachusetts, Boston

The course focuses on the changing international trading and financial systems, and their impact on the conduct of international business. The course includes analyses of countries, integration of regions, the World Trade Organization, currency systems and crises, and international financial markets. Effects of changes in the international financial and trading systems on the strategies and available resources for international business are also discussed. The course emphasizes case analyses and active class discussion.

ECON S-1476. International Corporate Governance (CRN: 31388)

Charles A. Moran JD, , Assistant Professor of Business and Finance, Bucknell University and President, Strategic Financial Advisors

This course will examine international corporate governance topics that collectively are termed Agency Theory in modern finance, as applied to the corporation, with focus on the separation of ownership and control and related issues. The formal and informal contracts that bind together shareholders, bondholders, directors, managers, employees, suppliers, customers, and communities will be explored. The collaborative efforts as well as the potential conflicts of interests of these various

constituencies will be analyzed in the context of a changing legislative and regulatory environment. This will enable us to evaluate the effectiveness of how corporate objectives are determined and achieved in the US, Great Britain, Germany, and Japan. Selected cases and readings will illustrate research findings and highlight key issues in international corporate governance.

ECON S-1536. International Trade and Globalization (CRN: 31674)

Ferhan Salman Doctoral Candidate in Economics, Boston University

Can Erbil MS, PhD, Assistant Professor of Economics, Brandeis University

The course begins by focusing on the fundamental principles that underlie international trade: the gains from trade and comparative advantage. It covers the Ricardian trade model, the Heckscher-Ohlin model, factor price equalization, and more recent developments in international trade, such as distortions and trade policy, openness indices, trade and growth, customs unions, and global integration. The course uses data sources that provide an insight into past and recent international trade flows and the increasing trend of globalization. Emphasis will be placed on empirical evidence, testing theory, and a brief historical review of how globalization evolved. Some policy guidelines from international organizations, such as the World Trade Organization (WTO), the International Monetary Fund (IMF), and the World Bank, toward openness and globalization are used as real life examples.

ECON S-192. Introduction to Capital Markets and Investments (CRN: 30060)

James E. Owers PhD, , Associate, Department of Economics, Harvard University, and Professor of Finance, College of Business Administration, Georgia State University, Atlanta

Students are introduced to investment analysis, including the functioning of capital markets, changes in markets, and analysis and tests of the efficient market hypothesis; portfolio theory; risk/return paradigms; and valuation theory applied to the aggregate market, industries, and firms. Topics covered include the analysis and interpretation of financial statements, and an introduction to options, futures, and derivative securities.

ECON S-190. Introduction to Managerial Finance (CRN: 30298)

James E. Owers PhD, , Associate, Department of Economics, Harvard University, and Professor of Finance, College of Business Administration, Georgia State University, Atlanta

Students examine the practices and perspectives of financial management, with reference to the foundations of modern finance: economics, managerial organization, and accounting. This course builds analytical and quantitative skills in several topic areas: financial condition and performance, financial planning and control, working capital management, long-term asset decisions, and financial and capital structure. It introduces the processes of financial engineering, innovation, and restructuring. The roles of Economic Value Added and the Balanced Scorecard in developing managerial strategies and incentive structures are also discussed.

ECON S-1012. Macroeconomic Theory (CRN: 30345)

Daniel Barbezat PhD, Associate Professor of Economics, Amherst College

In this course we will build models of national income determination, unemployment, inflation, and economic growth. In addition to looking at the domestic economy, we will develop models of the macroeconomic effects of international trade. These models will be used to analyze US fiscal and monetary policies and to sort out the controversies among the Monetarists, the New Keynesians, and New Classics.

ECON S-1901. Managerial Accounting (CRN: 30073)

Lynn W. Marples MBA, Lecturer on Accounting, Northeastern University

This course introduces the principles and methods of data collection and presentation for planning and control, performance evaluation, and management decision making. It emphasizes product costing (both traditional and activity based), cost-volume profit analysis, operating and capital budgeting, evaluation of business operating segments, transfer pricing, and relevant costs for decision making.

ECON S-1010. Microeconomic Theory (CRN: 30344)

Robert Neugeboren PhD, Lecturer on Economics, Harvard University

The focus of this course is on the optimizing behavior of individual households and firms and the coordination of these individual decisions through markets. Topics will include the theory of the consumer, the theory of the firm, decisions involving time and risk, perfect competition, imperfect competition, general equilibrium, and welfare economics.

ECON S-1452. Money, Financial Institutions, and Markets (CRN: 31138)

Joshua D. Rauh BA, Doctoral Candidate in Economics, Massachusetts Institute of Technology
James E. Owers PhD, , Associate, Department of Economics, Harvard University, and Professor of Finance, College of Business Administration, Georgia State University, Atlanta

This course examines the agents, instruments, and institutions that make up the financial system of the modern economy. Standard tools of financial analysis are introduced and applied to issues in the operation and regulation of financial and non-financial corporations and the ways they finance their investment activities. The course will also analyze the interaction among financial institutions, markets, and the Federal Reserve's conduct of monetary policy.

ECON S-1620. Organizations, Management Behavior, and Economics (CRN: 31390)

Charles A. Moran JD, , Assistant Professor of Business and Finance, Bucknell University and President, Strategic Financial Advisors

This course examines topics that can be collectively termed contracts and business organization. The problem of economic organization and the problem of social cost are considered along with efficient incentives (contracts and ownership), design and dynamics of organizations, motivation (contracts, information, and incentives) and employment incentives (contracts, compensation, and careers). The discipline of economics on organizations and management will be explored using selected cases and readings to illustrate research findings and highlight key issues, including international dimensions. The evolution of corporate structure is considered as a basis for development of a model for the future relationship of economics, organizations, and management behavior.

ECON S-10ab. Principles of Economics (CRN: 30057)

Nadav Halevi PhD, Arun and Michael Chilowich Professor of International Trade, Emeritus, The Hebrew University of Jerusalem

This course covers both micro- and macroeconomics. The subjects studied include the workings of the market mechanism--how supply and demand determine the quantities and prices of goods and factors of production, international trade, and how quantities and prices are affected by government intervention. The macroeconomics subjects included are: the determinants of economic growth, financial institutions, short-run fluctuations in output and employment, inflation, macroeconomics of the open economy, and the role of government policy.

ECON S-10b. Principles of Economics: Macroeconomics (CRN: 30058)

Daniel Barbezat PhD, Associate Professor of Economics, Amherst College

This introduction to macroeconomic theory and policy emphasizes the overall performance of the national economy. Topics will include economic growth, financial markets, and the causes and consequences of short-term movements in gross domestic product, unemployment, interest rates, inflation, the budget deficit, and the trade deficit. The course also will cover key policy-making institutions, such as the Federal Reserve, and controversies over the proper role of government in stabilizing the economy.

ECON S-10a. Principles of Economics: Microeconomics (CRN: 30056)

Hossein S. Kazemi PhD, Associate Professor of Economics, Stonehill College

This course offers an introduction to the market system, emphasizing economic interactions among individuals, business firms, and government. Topics will include supply and demand, economic decision making, social efficiency, perfect and imperfect competition, labor markets, capital markets, and market failures. Issues such as the environment, taxation, and income distribution also will be addressed. Equivalent to the first half of ECON S-10ab.

ECON S-110. Quantitative Methods in Economics and Business (CRN: 30852)

Subramanian Swamy PhD, Associate of the Department of Economics, Harvard University

This course presents a thorough introductory treatment of the main mathematical tools used in modern economics and business. It covers a variety of topics, including linear algebra and calculus, especially unconstrained and constrained optimization. Explanations of mathematical methods will be illustrated by practical applications to problems in economics and business. This course is particularly recommended for students interested in advanced economics and finance courses and graduate business study.

ECON S-1050. Strategy, Conflict, and Cooperation (CRN: 31594)

Robert Neugeboren PhD, Lecturer on Economics, Harvard University

An introduction to "the strategic way of thinking" and a primer on game theory with applications to economics and other social sciences. Topics include the prisoner's dilemma and the arms race; dominance reasoning and the minimax theorem; mixed strategies and Nash equilibrium; bargaining and collective action; threats, promises, and negotiated games; and the evolution of cooperation. No special mathematical preparation required.