



Undergraduate English-taught Courses Syllabi

Spring Semester, 2011

Academic Affairs Office

Tsinghua SEM

December, 2010



率先获得AACSB和EQUIS两大全球管理教育顶级认证的中国内地商学院
The first school on the Chinese mainland to attain both AACSB and EQUIS accreditation

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Course Syllabus

Course Number: 30510912

Course Name (CH): 商务沟通

Course Name (EN): Business Communication

Credits: 2

Prerequisites:

Teaching Language: CH CH+EN (EN ≥50%) EN

Courseware Language: CH EN

Teaching Method: lecture discussion case study literature reading
computer-aided assignment students' in-class presentation

Semester: spring autumn summer

Course Category: core course elective course

Target Students: undergraduates master students doctoral students
MBA EMBA

Instructor: Nancy HAN

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Office Phone:

Office Hour:

Discussion Board:

TA:

E-mail:

Course Description:

Business Communication (taught in English) is a course training students to be able to deliver a presentation efficiently and effectively in a business context. The training is very important for students who aim to succeed in the business world. Followings are the course outline that helps students who are interested in this course have a specific idea about the course requirement so to complete this course successfully. The course is delivered in English with many training activities which eventually get students to be an efficient business presenter in English. It helps the learner aware of the communication goals and therefore able to apply the principles to create efficient and effective business presentation. It requires the learner to be a team member to make the presentation successful. Being able to work with a team is an important element for a manager's future leadership. Finally, being able to listen to peer's presentations and providing feedback are important tasks in the course as well.

Textbooks & References:

1. Andrea B. Geffner, Business English: a complete guide to developing an effective

Weeks 7 and 8

- Topic** Mid-term Presentation
- Each group will present its informative presentation between 5 and 7 minutes.
 - Grading of the mid-term presentation by the class and the professor
 - Immediate feedback from professor and the class as preparation for the final presentation

Week 9

- Topic** Persuasive Presentation
- Use of statistics
 - Lecture on a persuasive format

Week 10

- Topic** Persuasive Presentation
- Use of graphics
 - Reinforcement of persuasive format

Week 11 and 12

- Topic** Private group meeting (1)
- Review the final topic
 - Evaluation of effective PPT
 - Review the persuasive format

Weeks 13 and 14

- Topic** Private group meeting (2)
- Finalize the final presentation
 - Rehearsal of the final presentation

Weeks 15 and 16

- Topic** Final Presentation
- Business attire
 - Guest professor(s) are invited for evaluation and inquiry

Course Syllabus

Course Number: 30511043

Course Name (CH): 计算机系统原理

Course Name (EN): Computer Systems Architecture

Credits: 3

Prerequisites: Programming Language

Teaching Language: CH CH+EN (EN ≥50%) EN

Courseware Language: CH EN

Target Students: undergraduates master students doctoral students
MBA EMBA

Teaching Method: lecture discussion case study literature reading
computer-aided assignment students' in-class presentation

Semester: spring autumn summer

Course Category: core course elective course

Target Students: undergraduates master students doctoral students
MBA EMBA

Instructor: GUO Xunhua

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Office Phone:6279-2738

Office Hour: to be decided.

Discussion Board:<http://learning.sem.tsinghua.edu.cn>

Course Description

This course provides the hardware and software technology background to enable systems development and management personnel to understand tradeoffs in computer architecture for effective use in a business environment. Topics in the hardware part cover CPU architecture, memory structure, storage and other peripheral devices. The software part covers the basic characteristics and market statuses of main-stream operating systems such as Windows, UNIX, and Linux, as well as major functional modules of modern operating systems. A systematic view of computer systems will be utilized in examining the components, structures, and characteristics of computer hardware and software as the infrastructure of modern information technology.

Textbooks & References:

Required:

1. Null, L. and Lobur, J. *The Essentials of Computer Organization and Architecture*, Beijing: China Machine Press. 2004.

2. Silberschatz, A., Galvin, P., and Gagne, G. *Operating System Concepts (7th Edition)*. Beijing: Higher Education Press. 2007.

Optional:

3. Englander, I. *The Architecture of Computer Hardware and Systems Software: an Information Technology Approach (3rd Edition)*, John Wiley and Sons, 2003.
4. Tanenbaum, A. S. *Modern Operating Systems (2nd Edition)*, Beijing: China Machine Press. 2005.

Grading

Exercises and projects: 40%

Class participation: 10%

Final exam: 50%

Course Outline

1. Introduction
 - Computer system overview
 - Historical development
 - Hardware components
 - Software components
2. Data representation
 - Decimal and binary
 - Integer numbers
 - Floating-point numbers
 - Character encoding
3. Hardware organization basics
 - Boolean algebra and digital logic introduction
 - CPU and registers
 - Bus, I/O and memory organization
 - Interrupts
 - Computer architecture examples
4. Instruction set architecture
 - Instruction processing
 - Instruction types
 - Addressing
 - Instruction set architecture examples
5. Memory
 - Types of Memory
 - Memory Hierarchy
 - Cache
6. Input/Output and storage systems
 - I/O architecture

- Magnetic disks
 - Optical disks
 - RAID
 - Data compression
7. Alternative architectures
 - RISC machines
 - Parallel and Multiprocessor architectures
 - Alternative approaches
 8. Performance issues
 - Performance issues
 - Benchmarking
 - CPU performance
 - Disk performance
 9. Operating system structure
 - Operating system concepts
 - System calls
 - System programs
 - Operating systems components
 - System structure
 10. Typical operating systems
 - Microsoft Windows
 - GNU/Linux
 - UNIX and other operating systems
 11. Task management and user interface
 - Task fundamentals
 - System call and interruption
 - Command line user interface
 - Graphical user interface
 12. Process fundamentals
 - Process concept
 - Process states and their transitions
 - Process handling
 - CPU scheduling
 13. Process management
 - Inter-process communication
 - Process synchronization
 - Deadlock
 - Threads
 14. Memory management
 - Memory management concept
 - Partitioning
 - Overlaying and swapping
 - Paging and Segmentation
 - Virtual memory

15. File systems and device management

- File system concept
- Logical structure of files
- Physical structure of files
- Storage space management
- Directories
- Device management

16. Conclusions

- Security
- Multimedia
- Networking
- Future trends

Course Syllabus

Course Number: 30511053
Course Name (CH): 公司金融
Course Name (EN): Corporate Finance
Credits: 3
Prerequisites: None
Teaching Language: EN
Courseware Language: EN
Teaching Method: lecture, case study
Assessment Method: in-class quizzes, final exam
Semester: spring
Course Category: core course
Target Students: Undergraduate

Instructor: Chen, Yunling
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Office Hour: by appointment
Discussion Board: TBA
TA: TBA
E-mail: TBA

Course Description (course objectives and content):

The main purpose of the course is to provide students with a basic understanding of the concepts and analytical techniques of corporate finance. Real-world examples will be introduced as well. Upon completion of this course, students are expected to be able to understand financial statements and cash flows, time value of money, discounted cash flows, stocks and bonds valuation, risk and return, capital budgeting, cost of capital, capital structure, dividend policy, etc.

Course Outline

- Introduction to Corporate Finance
- Introduction to Financial Statement
- Working with Financial Statements
 - Ratio Analysis
 - The Du Pont Identity
- The Time Value of Money
- Discounted Cash Flow Valuation
- Bond & Common Stock Valuation
- Capital Budgeting

- NPV and Other Investment Criteria: Pro & Con
- Making Capital Investment Decisions
- Risk and Return
 - Some Lessons from Capital Market History (optional)
 - Portfolio Theory
 - CAPM
- Cost of Capital
 - The Cost of Equity, Debt and Preferred Stock
 - The Weighted Average Cost of Capital
- Capital Structure
 - The Effect of Financial Leverage
 - Capital Structure and Cost of Equity Capital
 - Corporate Taxes, Bankruptcy Cost and Optimal Capital Structure
- Dividend Policy (optional)

This outline is given as a reference only. If time allows, we will endeavor to cover other subjects which might be of particular interest to students.

Textbooks & References:

[EN] Stephen A. Ross, Randolph W. Westerfield, and Bradford D. Jordan, *Fundamentals of Corporate Finance*, 9th Edition, McGraw-Hill.

[CH] 罗斯 等著, 方红星 译注, 公司理财 (精要版) (英文版 原书第 9 版), 机械工业出版社

Grading (percentage of all the assessment methods involved):

No.	Assessment method	Percentage
1	Individual Homework	15
2	Group Projects	15
3	In-class Quizzes	30
4	Final	40

Teaching Schedule (weeks, content, assignments. It can be in the tabular form.) :

8 weeks in Spring 2011. Detailed schedule will be announced in class.

Other requirements and information:

Although not required, it is recommended that you regularly read a financial publication, such as *The Wall Street Journal*, *Business Week*, *The Economist*, *Financial Times*, *Forbes* and *Fortune*, to see how the concepts covered in class are applied in "real world" business settings. These publications will give you a feel for the issues that today's business leaders are facing.

Course Syllabus

Course Number: 30510863

Course Name (CH): 发展经济学

Course Name (EN): Developmental Economics

Credits: 3

Prerequisites: intermediate micro, intermediate macro, econometrics

Teaching Language: CH CH+EN (EN ≥50%) EN

Courseware Language: CH EN

Teaching Method: lecture discussion case study literature reading
computer-aided assignment students' in-class presentation

Semester: spring autumn summer

Course Category: core course elective course

Target Students: Undergraduate Master PhD MBA EMBA TIEMBA

Instructor: Hongbin LI

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Office Phone: 6279-2924

Office Hour: by appointment

Discussion Board:

TA:

E-mail:

Course Description (course objectives and content):

Development economics is a course involving economic problems and policies of those countries that have not yet reached the level of economic well being observed in the western world. At the completion of this course, students will be familiar with theories of development and their applications in the real world. Students will have a better understanding of a number of topics that shed light on the development process, including poverty, inequality, education, international trade, the role of the government, and population issues. Students will also be trained to conduct their own research by using theories learned in class and analyzing real world data. They will also present their research results in class, which can improve their ability of public speaking and intellectual interactions.

Textbooks & References:

Economic Development

Michael Todaro and Stephen Smith

9th edition

Pearson-Addison Wesley

2006

Grading (percentage of all the evaluation methods involved) :

homework (30%) + presentation (30%) + paper (40%)

Teaching Schedule (weeks, content, assignments. It can be in the tabular form.) :

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Example:

Week	Content	Literature reading	cases
1	Introduction		
2	Growth theories		
3	Poverty and inequality		
4	Population		
5	Education		
6	Migration and employment		
7	Agriculture and rural development		
8	Student presentations		
9	Environment		
10	Finance and insurance		
11	Political economy		
12	Economic transition		
13	Selected topics on China		
14	Student presentations		
15	Student presentations		
16	Student presentations		

Other requirements and information:

Pre-requirement: intermediate microeconomics, intermediate macroeconomics, econometrics

Course Syllabus

Course Number: 30510053

Course Name (CH): 计量经济学

Course Name (EN): Econometrics

Credits: 3

Prerequisites:

Teaching Language: CH CH+EN (EN \geq 50%) EN

Courseware Language: CH EN

Teaching Method: lecture discussion case study literature reading
computer-aided assignment students' in-class presentation

Semester: spring autumn summer

Course Category: core course elective course

Target Students: Undergraduate Master PhD MBA EMBA TIEMBA

Instructor: Yuan Xu (徐嫻)

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Office Phone: 62794289

Office Hour: TBA

Discussion Board: TBA

TA: TBA

E-mail: TBA

Course Description (course objectives and content):

This course is an introduction to econometrics. It introduces students to multiple regression methods for analyzing the relationship between two or more economic variables. It starts from the simple linear regression to multivariate regression, regression with discrete random variables, instrumental variables, and to regression with panel data, time series data. The objective is to help students understand, evaluate and conduct empirical studies in economics and related disciplines.

Textbooks & References:

Stock, James H. and Mark W. Watson, *Introduction to Econometrics* (second edition), Addison-Wesley, 2006 (Main Textbook)

Li, Zinai and Wenqing Pan, *Econometrics* (third edition), Higher Education Press, 2010 (In Chinese)

J.M. Wooldridge, *Introductory Econometrics*, South-Western College Publishing

Grading (percentage of all the evaluation methods involved):

Grades will be jointly determined by homework assignments and exams (one midterm and one

final). Tentatively, it will be a weighted average of the following:

- Homework 20%
- Midterm 30%
- Final 50%

Teaching Schedule (weeks, content, assignments. It can be in the tabular form.) :

This class schedule is preliminary, subject to final changes

Week	Content	Literature reading	cases
1	Introduction and Review of Probability and Statistics I	SW ch1, 2, 3	
2	Introduction and Review of Probability and Statistics II	SW ch1, 2, 3	
3	Simple linear Regression I	SW ch4, 5	
4	Simple linear Regression II	SW ch4, 5	
5	Multivariate regression I	SW ch6, 7	
6	Multivariate regression II	SW ch6, 7	
7	Multivariate regression III	SW ch6, 7	
8	In-class Midterm		
9	Nonlinear regression functions	SW ch8	
10	Instrumental Variable Regression	SW ch12	
11	Binary Choice I	SW ch11	
12	Binary Choice II	SW ch11	
13	Panel Data I	SW ch10	
14	Panel Data II	SW ch10	
15	Introduction to Time Series	SW ch14	
16	In-class Final		

Other requirements and information:

Computer work is an integral part of econometrics. Software STATA will be used in this class and homework assignments. A brief tutorial to the program will be given in the first precept.

Course Syllabus

Course Number: 30510883

Course Name (CH): 经济增长

Course Name (EN): Economic Growth

Credits: 3

Prerequisites: Intermediate Macroeconomics

Teaching Language: CH CH+EN (EN ≥50%) EN

Courseware Language: CH EN

Teaching Method: lecture discussion case study literature reading
computer-aided assignment students' in-class presentation

Assessment Method: in-class quiz oral presentation group discussion case
analysis (report) final report/thesis final exam practice project (report)
others _____

Semester: spring autumn summer

Course Category: core course elective course

Target Students: Undergraduate Master PhD MBA EMBA
TIEMBA

Instructor: Lin Lu

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Office Phone: 62781005

Office Hour: 4-6pm, Wed

Discussion Board: TBA

TA: TBA

E-mail: TBA

Course Description:

The aim of the course is to provide students with a rigorous introduction to the empirical facts and theoretical models of economic growth. A recurring theme of this course is the question: "Why are some countries so rich, while some others are so poor?" To answer this question, we will look at various aspects of economic growth, starting from some characteristics and stylized facts of different countries across the world. We will then study some of the main theories and their predictions. Through the study of the course, the students will get familiar with the available cross-country data and use different models as a basis for understanding and distinguishing the various determinants of economic growth.

Textbooks & References:

Jones, Charles, Introduction to Economic Growth, 2nd Edition, W.W. Norton and Company, 2002.

Acemoglu, Daron, Introduction to Modern Economic Growth, Princeton University Press, 2009.

Weil, David, Economic Growth, 2nd Edition, Addison Wesley, 2009.

Barro, Robert and Xavier Sala-i-Martin, Economic Growth, 2nd edition, MIT Press, 2003.

Grading:

Homework: 30%

Midterm: 30%

Final: 40%

Teaching Schedule:

Week	Content	Reading
1	Economic Growth: Questions and data	Jones, Chapter 1 Acemoglu, Chapter 1
2	Solow model	Jones, Chapter 2 Acemoglu, Chapter 2
3	Solow model, continued	Jones, Chapter 2 Acemoglu, Chapter 2
4	Empirical evidence on convergence and income differences	Jones, Chapter 3 Acemoglu, Chapter 3 Barro & Sala-I-Martin, Chapters 1, 11 and 12
5	Solow growth model with human capital	Jones, chapter 3.1, 8.1
6	Economics of ideas	Jones, Chapter 4
7	R&D models of economic growth	Jones, chapter 5
8	Growth and development	Jones, Chapter 6
9	Infrastructure and long-run economic performance	Jones, Chapter 7
10	Endogenous growth	Jones, Chapter 8
11	Endogenous growth, continued	Jones, Chapter 8
12	Limits of growth	Jones, chapter 9
13	Schumpeterian Models	Acemoglu, Chapter 14
14	Population growth and economic development	TBA
15	International trade and economic development	TBA
16	Inequality and growth	TBA

Course Syllabus

Course Number: 60610092

Course Name (CH): 基础汉语 (1)

Course Name (EN): Elementary Chinese (1)

Credits: 2

Prerequisites: beginners or HSK1-3

Teaching Language: CH CH+EN (EN ≥50%) EN

Courseware Language: CH EN

Teaching Method: lecture discussion case study literature reading
computer-aided assignment students' in-class presentation

Assessment Method: in-class quiz oral presentation group discussion case
analysis (report) final report/thesis final exam practice project (report)
others _____

Semester: spring autumn summer

Course Category: core course elective course

Target Students: Undergraduate Master PhD MBA EMBA
TIEMBA

Instructor: YueYan

Office:

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Office Hour:

Discussion Board:

TA:

E-mail:

Course Description (course objectives and content):

Our course targets Chinese language beginners who have little basic knowledge of Chinese language. In order to help students build a good foundation of Chinese language and help in communicating in China, our course is very practical. It contains following parts:

- 1) Study Pinyin part and help student have a good pronunciation
- 2) Consists of several practical units, help students grasp useful words and sentences in common situations, for example: greeting, transportation, ordering tickets, schedule arrangement, go shopping, ordering food, asking the way and so on.
- 3) Be familiar with the basic rules of Chinese language grammar and can use them correctly
- 4) Know the basic knowledge of Chinese characters, including radicals, basic strokes, the order of writing characters and so on.
- 5) Focus on listening and speaking skills, help students be familiar with daily conversation

and they can express their thoughts and feelings in Chinese.

- 6) Our course emphasizes on practice. Besides teaching, we require students practice alone or in group. We try to make students grasp and memorize the main points of each lesson in class. We hope students can find their fast progress in a short time.

Textbooks & References:

Course book: Slides made by the teacher

Reference: <Experiencing Chinese studying in China> Higher Education Press

Grading (percentage of all the assessment methods involved):

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No.	Assessment method	Percentage
1	Attendance	15%
2	class performance	15%
3	Mid-term exam	30%
4	Final exam	40%

Teaching Schedule (weeks, content, assignments. It can be in the tabular form.):

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Example:

Week	Content	Literature reading	cases
1	Pinyin	1. study initials, finals and spelling rules 2. basic and useful words	b. p. m. f ao. ie. Ui. lu
2	Chinese characters	1. study some basic knowledge of Chinese characters 2. study basic strokes, radicals and writing rules of writing a character	人、水、山、车、 基本笔画：横、竖、撇、点、捺、折
3	Greeting 1	1. how to greet on the first meet 2. greeting between old friends 3. Chinese greetings	你好，你好吗？ 好久不见来了？
4	Greeting 2	1. Invite sb. to do sth. 2. self introduction	我们现在一起去吃饭怎么样？

			你好, 我叫.., 我是..国人...
5	Go Shopping	<ol style="list-style-type: none"> 1. how to bargain 2. ask for price, color, size and so on 3. how to change goods 	太贵了, 便宜一点儿吧。 多少钱? 我可以换一件大号的吗?
6	Ask the way	<ol style="list-style-type: none"> 1. how to ask the way 2. give directions for taxi driver 	怎么去.... 直走、左拐、右拐、发票
7	Exchanging money	<ol style="list-style-type: none"> 1. how to exchange money 2. how to save money in a bank 	换钱、汇率、中国银行、存钱
8	Mid-term exam		
9	Asking for help	<ol style="list-style-type: none"> 1. ask sb. to take a photo for you 2. ask attendant to help you open your door, repair equipments in your room 3. if you lost sth, how to ask for help 	拍照片、开门、修、丢、淋浴、钥匙
10	Dining1	<ol style="list-style-type: none"> 1. how to order food in a restaurant 2. how to order food via telephone 3. how to order food in KFC or MacDonald's 	点菜、菜单、好吃、订餐、主食、凉菜、汉堡
11	Dining2	<ol style="list-style-type: none"> 1. how to solve all kinds of troubles in a restaurant 2. how to book a restaurant 	杯子脏、急事、少一双筷子、定饭店
12	Booking	<ol style="list-style-type: none"> 1. how to book a hotel 2. how to book airfare or train tickets 	定宾馆、单人间、双人间、飞机票、经济舱
13	Arrange the time	<ol style="list-style-type: none"> 1. how to arrange the time 2. how to arrange a date 3. how to cancel an appointment 	安排、约会、取消
14	Being sick	<ol style="list-style-type: none"> 1. how to express your 	病、头疼、肚

		illness symptoms 2. how to ask for a leave 3. how to see the dentist or other doctors	子疼、开药、 请假、看医生
15	Review week		
16	Final exam		

Other requirements and information:

The teacher has authority to adjust study schedule with an intention of better study.

Course Syllabus

Course Number: 30510782

Course Name (CH): 专家系统与决策支持系统

Course Name (EN): Expert Systems and Decision Support Systems

Credits: 2

Prerequisites:

Teaching Language: CH CH+EN (EN ≥50%) EN

Courseware Language: CH EN

Teaching Method: lecture discussion case study literature reading

computer-aided assignment students' in-class presentation

Semester: spring autumn summer

Course Category: core course elective course

Target Students: Undergraduate Master PhD MBA EMBA TIEMBA

Instructor: Jinghua HUANG

Office: Weilun South 441

E-mail: huangjh@sem.tsinghua.edu.cn

Office Phone: 62789935

Office Hour:

Discussion Board:

TA:

E-mail:

Course Description:

This course is an introduction to expert systems and decision support systems, which is an integral part of the computer science curriculum. In this course, we learn how theory and applications complement each other. Both theory and application are presented. Students are provided with the Prolog, Lisp, CLIPS language that they can use to develop systems. By integrating theory with a fully functional means of applying that theory to real-world situations, students will gain an appreciation for the role played by expert systems and decision support systems in today's world.

The content of the course includes four parts with 12 chapters: 1) Overview of AI, ES and DSS; 2) Knowledge expression and inference; 3) Reasoning under uncertainty; 4) Design and development of ES with Clips language.

Textbooks & References:

[1] George F.Luger. Artificial Intelligence: Structures and Strategies for Complex Problem Solving(5th edition). Addison Wesley, 2005

- [2] Joseph C. Giarratano, Gary D. Riley. Expert Systems: Principles and Programming (4th edition). Course Technology, 2005
- [3] S. Russell and P. Norvig. Artificial Intelligence: A Modern Approach (2nd Edition). Prentice Hall, 2003
- [4] American Association for Artificial Intelligence
<http://www.aaai.org/aitopics/html/welcome.html>
<http://www.aaai.org/aitopics/html/expert.html>
- [5] Appendix of [2]

Grading:

Attendance 5%, 5 minutes presentation 5%, Homework 20%, Final Exam (close-book) 70%.

Teaching Schedule:

Chapter	Topic	Reference	Assignment
1	Introduction to AI	[1] Ch.1;[3] Ch.1	
2	Introduction to Expert Systems	[2] Ch.1	
3	The Predicate Calculus	[1] Ch.2, 13,15 [2] Ch.2,3	Assignment 1
4	Structures and Strategies for State Space Search	[1]Ch.4	Assignment 2
5	The Representation of Knowledge and Methods of Inference	[1]Ch.7,8;[2]Ch2,3	Assignment 3
6	Reasoning under Uncertainty	[1]Ch. 5,9;[2]Ch.4	
7	Inexact Reasoning	[1]Ch.9;[2]Ch.5	Assignment 4
8	Design of Expert Systems	[1] Ch.8;[2] Ch.6	
9	Introduction to CLIPS	[2]Ch7	
10	Advanced Pattern Matching	[2]Ch.8	
11	Modular Design, Execution Control, and Rule Efficiency	[2]Ch.9	Assignment 5
12	Expert System Design Examples	[2]Ch.12	

Other requirements and information:

Prior experience with at least one high-level programming language is expected. Familiarity with both procedural and object-oriented programming concepts is recommended.

Course Syllabus

Course Number: 40511123

Course Name (CH): 金融学专题研究

Course Name (EN): Finance Seminar

Credits: 3

Prerequisites: Principles of Economics; Principles of Finance; Econometrics; One of the main statistical analysis software (such as SAS, STATA)

Teaching Language: CH CH+EN (EN ≥50%) EN

Courseware Language: CH EN

Teaching Method: lecture discussion case study literature reading
computer-aided assignment students' in-class presentation

Assessment Method: in-class quiz oral presentation group discussion case analysis (report) final report/thesis final exam practice project (report)
others _____

Semester: spring autumn summer

Course Category: core course elective course

Target Students: Undergraduate Master PhD MBA EMBA TIEMBA

Instructor: Yao Lu

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E-mail: luyao@sem.tsinghua.edu.cn

Office Phone: 62797399

Office Hour: Friday, 2:00-4:00pm, By appointments

Discussion Board: Id: XXX Key: XXX

TA: XXXX

E-mail: XXXX

Course Description:

The objective of this course is to provide financial market empirical analysis skills. This course is designed as a comprehensive seminar course for senior undergraduate students with the major in finance, economics or other students who are interested in financial markets.

From the class, students are expected to develop their research skills including development of interesting and important research ideas, data and relevant information collections, empirical analyses, reading, writing, presentation and project management.

From the class, students are also expected to learn the frontier of about ten major topics regarding financial markets. These topics include Capital Structure, Equity Issuance, Corporate Investment Policies, Mergers and Acquisitions, Financial Crisis and Bank Loans, Corporate Governance, Law and Finance and Financial Market Development, and Financial Market Globalization and International Finance.

The skills and experience obtained from this class will be especially valuable for students who are pursuing higher degree in finance or economics field both domestically and internationally. This course will also be beneficial to the students who are planning to join financial companies or institutions to become financial analysts. Finally, students can start developing their graduation thesis in the class.

This course is a seminar-style class. Each class (except for the first one) focuses on one specific topic. Each class contains three sections: lecture on brief introduction to the literature of the topic covered by the class; paper discussion; and student presentations of journal articles.

- Lecture: Each class begins with a brief introduction to the body of literature on the topic covered by the class.
- Paper discussion: Each class discusses one article on the covered topic. Every student should contribute to the discussion of every paper. Students are expected to thoroughly read the articles and be ready to answer any questions related to them. The following main areas of each paper will be discussed: its key findings, its methods and research design, its contribution to the topic, its strengths and its weaknesses.
- Student presentations of journal articles: Each student is required to join a team and give a presentation of a recommended journal article (or working paper) over the semester. The detailed requirement can be seen in the course evaluation section.

The class also includes several talks by outside speakers from industries and other academic institutions.

Textbooks & References:

Required: Class notes and suggested journal articles and working papers

Recommended:

- Greene, Willian, 2000, *Econometric Analysis*, Prentice Hall
- Campbell, John, Andrew Lo, and Craig MacKinlay, 1997, *The Econometrics of Financial Markets*, Princeton University Press.
- Wooldridge, Jeffrey M., 2002, *Econometric Analysis of Cross Section and Panel Data*, The MIT Press
- Colin Cameron, Pravin K. Trivedi, *Microeconometrics: Methods and Applications*, 2005, Cambridge University Press
- Cheng Hsiao, *Analysis of Panel Data (2nd)*, 2003, Cambridge University Press.
- 李子奈 叶阿忠, 《高等计量经济学》, 清华大学出版社, 2000年9月

Grading (percentage of all the assessment methods involved):

No.	Assessment method	Percentage
1	Final paper	50% (15% + 35%)
2	Journal article presentation	15%
3	Class participation	20%
4	Literature Review Report	15%

Final Paper

Final Paper will be based on an original research idea and contain a high-quality empirical analysis. The topics have to be coordinated with the instructor. The basic structure of the paper should include:

- (Section I) Introduction with a motivation, framing of the paper in the literature, and a brief summary of what you will do in the paper. This section should clearly explain the potential contribution of this paper, i.e. “why do we care.”
- (Section II, optional) Additional Literature section, if you are unable to clearly discuss all the relevant literature in the introduction, you may include an additional literature section
- (Section III) Hypotheses and methods – Clearly state hypotheses and how you will test them
- (Section IV) Sample and data section - explain where you will get the data and methods explaining how you will test your hypothesis.
- (Section V) Description of empirical results – describe what you find and explain how your results are consistent (or inconsistent) with your predictions; note alternative hypotheses and how you distinguish from these as well as any robustness or additional tests required to control for issues such as endogeneity.
- (Section VI) Conclusion – summarize your findings and try to provide some policy implications.

The Final Paper has two due dates. On the last classes, each student will “float” their idea to the class in the presentation. The purpose of this is to get feedback on the idea and to allow you practice at presenting your own work. The grade will be evaluated based both on the quality of your idea and the quality of your presentation. The evaluation will be conducted by both the instructor and other students who are taking the class. The weight will be 50% each. The Final Paper will be due before the end of the summer, by 11:59 p.m. on **XXX**. You are of course welcome to submit this early but I give the full month to allow you flexibility in your schedule.

❖ Journal Article Presentation

Each student is required to choose one article from the reading list and give a form presentation. The speaker is expected to prepare form presentation PPT slides. Each presentation will be about 30 minutes. The grade will be evaluated based mainly on the presentation skills. The evaluation will be shared by the instructor and other students who are taking the class with each 50% weight.

❖ Class Participation

Class participation will be evaluated based on the attendance of the class and participation of paper discussion.

❖ Literature Review Report

Each student is required to choose one topic from the reading list to write a literature review report. The literature review should include both articles in English and articles in Chinese. From a research evolution perspective, the report should cover classical studies, influential studies and current frontier studies. From the research target perspectives, it should cover the studies on US financial markets, international (Non-US countries) financial markets and Chinese financial markets. The articles covered in the literature review report could be published papers, working papers or books. The complete cited reference papers should be submitted with the literature review report. The report **should be written in Chinese for**

Chinese students and in English for Foreign Exchange Students. Students can form the team to finish the report but the maximum number of students in each team is two. Each team can only submit one report. The grade will be evaluated based mainly on the quality of the report. The deadline will be the end of semester, by 11:59 p.m. on **XXX**.

Teaching Schedule (weeks, content, assignments. It can be in the tabular form.) :

Class 1 - Introduction to Financial Markets and Research Methodologies: The Big Picture

- John H. Cochrane, Writing Tips for Ph.D. Students, Available at http://faculty.chicagobooth.edu/john.cochrane/research/Papers/phd_paper_writing.pdf
- Event studies
 - MacKinlay, A. Craig, 1997, Event studies in economics and finance, *Journal of Economic Literature* 35, 13-39.
 - Brown and Warner, 1985, Using Daily Stock Returns, The Case of Event Studies, *Journal of Financial Economics* 14, 3-31
 - Brown, Stephen J., and Jerold B. Warner, 1980, Measuring security price performance, *Journal of Financial Economics* 8, 205-258.
 - Asquith, Paul, and David Mullins, 1986, Equity issues and offering dilution, *Journal of Financial Economics* 15, 61-89.
 - Prabhala, Conditional Methods in Event-Studies and an Equilibrium Justification for Using Standard Event-Study Methods, *Review of Financial Studies* 10 (1997), 1-38.
- Long Run Performance
 - Lyons, Barber, and Tsai, 1999, Improved Methods for Tests of Long-Run Abnormal Stock Returns, *Journal of Finance* 54, 165-201
 - Loughran, Tim, and Jay Ritter, 2000, Uniformly least powerful tests of market efficiency, *Journal of Financial Economics* 55, 361-390.
- Endogeneity and Working with Panel Data:
 - Bertrand, Duflo and Mullainathan, How Much Should We Trust Differences-in-Differences Estimates? *Quarterly Journal of Economics*, 2004, 119(1), pp. 249-75.
 - Petersen, Estimating Standard Errors in Finance Panel Data Sets: Comparing Approaches, Northwestern working paper
 - Coles, Lemmon, and Meschke, “Structural Models and Endogeneity in Corporate Finance: The Link Between Managerial Ownership and Performance,” 2006, WP.
 - Bennedsen, Nielsen, Perez-Gonzalez, and Wolfenson, Inside the Family Firm: The Role of Families in Succession Decisions and Performance” forthcoming, *Quarterly Journal of Economics*
 - Drucker and Puri, 2005, “On the Benefits on Concurrent Lending and Underwriting,” *JF* 60, 2763-2799.
 - Villonga and Amit, How Do Family Ownership, Control, and Management Affect Firm Value?, *Journal of Financial Economics* 80, no. 2 (May 2006): 385-417.

Section I: Financing Policies

Class 2 - Capital Structure

- Determining Capital Structure:
 - Titman, Sheridan and Roberto Wessels, 1988, The determinants of capital structure choice, *Journal of Finance* 43, 1-19.
 - Harris, Milton and Artur Raviv, 1991, The Theory of Capital Structure, *Journal of Finance* 46, 297-355.
 - Smith, Clifford W., Jr. and Ross L. Watts 1992, The Investment Opportunity Set and Corporate Financing, Dividend, And Compensation Policies, *Journal of Financial Economics* 32, 263-292.
 - Rajan, Raghuram and Luigi Zingales, 1995, What do we know about capital structure? Some evidence from international data, *Journal of Finance* 50, 1421-1460.
 - **Shyam-Sunder and Myers, 1999, Testing Static Tradeoff Against Pecking Order Models of Capital Structure, *Journal of Financial Economics* 51, 219-244. (Instructor)**
 - Fama, Eugene and Ken French, 2002, Testing tradeoff and pecking order predictions about dividends and debt, *Review of Financial Studies* 15, 1-33.
 - **Baker and Wurgler, 2002, Market Timing and Capital Structure, *Journal of Finance* 57, 1-32. (Students)**
 - Frank and Goyal, 2003, Testing the Pecking Order Theory of Capital Structure, *Journal of Financial Economics* 67, 217-248.
 - Almeida, Heitor, Murillo Campello, and Michael S. Weisbach, 2004. The Cash Flow Sensitivity of Cash. *Journal of Finance* 59, 1777-1804.
 - Benmelech, Garmaise, and Moskowitz, Do Liquidation Values Affect Financial Contracts? Evidence from Commercial Loan Contracts and Zoning Regulation, *Quarterly Journal of Economics* (2005), 120(3) 1121-1154.
 - Leary and Roberts, 2005, Do Firms Rebalance Their Capital Structures?, *Journal of Finance* 60, 2575-2619.
 - Faulkender and Petersen, 2006, Does the Source of Capital Affect Capital Structure? *Review of Financial Studies* 19, 45-79.
 - Michael Lemmon, Michael Roberts, and Jaime Zender, 2008, Back To The Beginning: Persistence And The Cross-Section Of Corporate Capital Structure, *Journal of Finance* 63, 1575-1608.
- Effects of Capital Structure on Corporate Performance and Other Consequences:
 - Masulis, 1980 The Effects of Capital Structure Changes on Security Prices, *Journal of Financial Economics* 8, 139-178
 - **Chevalier, Judith, 1995, Capital structure and product market competition: Empirical evidence from the supermarket industry, *American Economic Review* 85, 415-435. (Students)**
 - Andrade, Gregor and Steven N. Kaplan, 1998, How Costly is Financial (not Economic) Distress? Evidence from Highly Leveraged Transactions that Became Distressed, *Journal of Finance* 53, 1443-1494.

- Opler, T., Pinkowitz, L., Stulz, R., and Williamson, R., 1999. The Determinants and Implications of Cash Holdings, *Journal of Financial Economics* 52, 3-46.
- Campello, M., 2003, Capital Structure and Product Markets Interactions: Evidence from Business Cycles, *Journal of Financial Economics* 68, 353-378.

Class 3 – Equity Issuance

- Initial Public Offerings:
 - Rock, Kevin, 1986, Why New Issues are Underpriced? *Journal of Financial Economics* 15, 187-212.
 - Ritter, Jay, 1994, The Long-Run Performance of Initial Public Offerings, *Journal of Finance* 46, 3-27.
 - **Brav, Alon, and Paul A. Gompers, 1997, Myth or Reality? The Long-run Underperformance of Initial Public Offerings: Evidence from Venture- and Nonventure Capital-Backed Companies, *Journal of Finance* 52, 1791-1821. (Instructor)**
 - Schultz, Paul, 2003, Pseudo Market Timing and the Long-Run Underperformance of IPOs, *Journal of Finance* 58, 483-518.
 - Purnanandam, A., and B. Swaminathan, 2004, Are IPOs Really Underpriced?, *Review of Financial Studies* 17, 811-848.
- Seasoned Equity Offerings:
 - Jegadeesh, Narasimhan, Mark Weinstein, and Ivo Welch, 1993, An Empirical Investigation of IPO Returns and Subsequent Equity Offerings, *Journal of Financial Economics* 34, 153-175.
 - Eckbo, B. Espen, and Ronald Masulis, 1995, Seasoned Equity Offerings: A Survey, in R. Jarrow et al., eds.: *Handbooks in Operations Research and Management Science* (Elsevier).
 - **Teoh, Siew Hong, Ivo Welch, and Tak Jun Wong, 1998, Earnings Management and Post-issue Underperformance in Seasoned Equity Offerings, *Journal of Financial Economics* 50, 63-99. (Students)**
- Delisting:
 - **Sreedhar t. Bharath and Amy K. Dittmar, 2009, Why Do Firms Use Private Equity to Opt out of Public Markets? *Review of Financial Studies* Forthcoming (Students)**

Class 4 - Outside Speaker (XXX)

Class 5 - Outside Speaker (XXX)

Section II: Investment Policies

Class 6 – Capital Expenditures

- Determining Capital Expenditure
 - **Fazzari, Steven M., R. Glenn Hubbard and Bruce C. Petersen, 1988, Financing constraints and corporate investment, *Brookings Papers on***

Economic Activity 1, 141-195. (Instructor)

- Fazzari, Hubbard, and Peterson, 2000, Investment-Cash Flow Sensitivities are Useful: A Comment on Kaplan and Zingales," *Quarterly Journal of Economics* 115, 695-705
- Blanchard, Olivier Jean, Florencio Lopez-de-Silanes, and Andrei Shleifer, 1994. What Do Firms Do With Cash Windfalls? *Journal of Financial Economics* 36, 337-360.
- **Lamont, Owen, 1997, Cash Flow and Investment: Evidence from Internal Capital Markets, *Journal of Finance* 52, 83-109. (Students)**
- Hubbard, Glenn R., 1998, Capital market imperfections and investment, *Journal of Economic Literature*, 36 193-225.
- Harford, Jarrad, 1999, Corporate Cash Reserves and Acquisitions, *Journal of Finance* 54, 1969-1997.
- Kaplan, Steven N. and Luigi Zingales, 2000, Investment-Cash Flow Sensitivities Are Not Valid Measures of Financing Constraints, *Quarterly Journal of Economics* May, 707-712.
- **Moyen, Nathalie, 2004, Investment-Cash Flow Sensitivities: Constrained Versus Unconstrained Firms, *Journal of Finance* 59, 2061-2092. (Students)**
- Maksimovic and Phillips, 2006, Conglomerate Firms and Internal Capital Markets (survey) Forthcoming Handbook of Corporate Finance: Empirical Corporate Finance, ed. B. Espen Eckbo, Handbooks in Finance Series, Elsevier/North-Holland.

Class 7 - Mergers and Acquisitions (Market for Corporate Control)

- General Reading:
 - Andrade, Gregor, Mark L. Mitchell and Erik Stafford, 2001, New evidence and perspectives on mergers, *Journal of Economic Perspectives* 15, 103-120.
 - Holmstrom, Bengt and Steven N. Kaplan, 2001, Corporate Governance and Merger Activity in the United States: Making Sense of the 1980s and 1990s, *Journal of Economic Perspectives* 15, 121-144.
- Performance Analyses:
 - Bradley, Michael, Anand Desai, and E. Han Kim, 1988, Synergistic Gains from Corporate Acquisitions and their Division Between the Stockholders of Target and Acquiring Firms, *Journal of Financial Economics* 21, 3-40.
 - Lang, Larry H.P., Rene M. Stulz and Ralph A. Walkling, 1989, Managerial performance, Tobin's Q and the gains from successful tender offers, *Journal of Financial Economics* 24, 137-154.
 - Servaes, Henri, 1991, Tobin's Q and the Gains from Takeovers, *Journal of Finance* 46, 409-419.
 - Loughran, Tim, and Anand Vijh, 1997, Do long-term shareholders benefits from corporate acquisitions? *Journal of finance* 52, 1765-1790.
 - **Moeller, Sara B., Frederik P. Schlingemann, and Rene M. Stulz, 2004, Firm Size and the Gains from Acquisitions, *Journal of Financial***

***Economics* 73, 201-228. (Instructor)**

- Masulis, Ronald W., Cong Wang, and Fei Xie, 2007, Corporate Governance and Acquirer Returns, *Journal of Finance* 64, 1851-1889.
- Target Selection:
 - **Palepu, Krishna G., 1986, Predicting Takeover Targets: A Methodological and Empirical Analysis, *Journal of Accounting and Economics* 8, 3-35. (Students)**
 - Maksimovic, Vojislav and Gordon Phillips, 2001, The Market for Corporate Assets: Who Engages in Mergers and Asset Sales and are There Efficiency Gains? *Journal of Finance* 56, 2019-2065.
- Acquisition Methods:
 - Martin, Kenneth J., 1996, The Method of Payment in Corporate Acquisitions, Investment Opportunities, and Managerial Ownership, *Journal of Finance* 51, 1227-1246.
 - Ghosh, A., and W. Ruland. 1998, Managerial ownership, the method of payment for acquisitions, and executive job retention, *Journal of Finance* 53, 785-98.
 - **Faccio, Mara and Ronald W. Masulis, 2005, The Choice of Payment Method in European Mergers and Acquisitions, *Journal of Finance* 60, 1345-1388. (Students)**
- Other Effect of M&As:
 - Stein, Jeremy C., 1988, Takeover Threats and Managerial Myopia, *Journal of Political Economy* 96, 61-80.
 - Shahrur, Husayn, 2005, Industry Structure and Horizontal Takeovers: Analysis of Wealth Effects on Rivals, Suppliers, and Corporate Customers" *Journal of Financial Economics* 76 (2005) 61-98

Class 8 –Risk-taking Activities and Risk Management

- **Risk-taking on General Operating Activities**
 - Malmendier, Ulrike and Geoffrey Tate (2008), Who Makes Acquisitions? CEO Overconfidence and Market's Reaction, *Journal of Financial Economics* 89: 20-43.
 - Faccio, M., Marchica, M., Mura, R., 2010. Large shareholder diversification and corporate risk-taking. Unpublished working paper. Purdue University.
- **Risk-taking by Banks**
 - Laeven, L., and R. Levine (2008): "Corporate Governance, Regulation, and Bank Risk Taking," *Journal of Financial Economics*, forthcoming.
 - Adams, R. (2009): "Governance and the Financial Crisis," SSRN Paper 1398583.
 - Maddaloni, Angela and Joes-Luis Peydro, 2010, Bank Risk-Taking, Securitization, Supervision, and Low Interest Rates: Evidence from Lending Standards, Working paper.

- Gropp, Reint, Christian Grundl, and Andre Guttler, 2010, The Impact of Public Guarantees on Bank Risk Taking: Evidence from a Natural Experiment, Working paper.
- Ellul, Andrew, and Vijay Yerramilli, 2010, Strong Risk Controls, Lower Risk: Evidence from U.S. Bank Holding Companies, Working paper.
- Acharya, Viral V., and Hassan Naqvi, 2010, The Seeds of a Crisis: A Theory of Bank Liquidity and Risk-Taking Over the Business Cycle, Working paper
- **Risk-taking and Innovations**
 - Ferreira, Daniel, Gustavo Manso, and Andre C. Silva, 2010, Incentive to Innovate and the Decision to Go Public or Private, Working paper.
 - Biais, Bruno, Florian Heider, and Marie Hoerova, 2010, Risk-Sharing or Risk-Taking? Financial Innovation, Margin Requirements and Incentives, Working paper.
- **Risk-taking and Managerial Incentive**
 - Ross, S., 2004. Compensation, incentives, and the duality of risk aversion and riskiness. *Journal of Finance* 59, 207-227.
 - Holmstrom, B., 1979. Moral hazard and observability. *Bell Journal of Economics* 10, 74-91.
 - Carpenter, J., 2000. Does option compensation increase managerial risk appetite? *Journal of Finance* 55, 2311-2331.
 - Cheng, Ing-Haw, Harrison Hong, and Jose A. Scheinkman, Yesterday's Heroes: Compensation and Creative Risk-Taking, NBER Working Paper.
 - Coles, Jeffrey, Naveen D. Daniel, and Lalitha Naveen, 2003, Executive Compensation and Managerial Risk-Taking, Working paper.
 - Bolton, Patrick, Hamid Mehran, Joel Shapiro, 2010, Executive Compensation and Risk Taking, Working paper.

Section III: Financial Crisis, Bank Loans and Financial Intermediates

Class 9 Financial Crisis and Bank Loans:

- Financial Crisis and Bank Runs:
 - Diamond, D. W. and P. H. Dybvig(1983), Bank Runs, Deposit Insurance and Liquidity, *Journal of Political Economy*, 3, 401-419.
 - Alan, Franklin and Douglas Gale, 1998, Optimal Financial Crises, *Journal of Finance* 4, 1245-1284.
 - He, Zhiguo and Wei Xiong, 2009, Dynamic Debt Runs, Working paper, Available at <http://www.princeton.edu/~wxiong/papers/dynamic.pdf>
- Bank Loans:
 - Sufi, Amir, 2007, Information Asymmetry and Financial Arrangements: Evidence from Syndicated Loans, *Journal of Finance* 62, 629-668.
 - **Nini, Greg, David Smith, and Amir Sufi, 2009, Creditor Control Rights and Firm Investment Policy, *Journal of Financial Economics* 92, 400-420. (Students)**
 - Cole, Shawn, Esther Duflo, and Abhijit Banerjee, Default and Punishment:

Incentives and Lending Behavior in Indian Banks, Working paper, Available at <http://www.cepr.org/meets/wkcn/5/5567/papers/ColeFinal.pdf>

- Studies on Sub-prime Crisis:
 - **Keys, Benjamin J., Tanmoy K. Mukherjee, Amit Seru and Vikrant Vig, 2009, Did Securitization Lead to Lax Screening? Evidence From Subprime Loan, Forthcoming, *Quarterly Journal of Economics*, 125 (1), 2010 (Instructor)**
 - **Mian, Atif and Amir Sufi, 2009, The Consequences of Mortgage Credit Expansion: Evidence from the U.S. Mortgage Default Crisis, Forthcoming, *Quarterly Journal of Economics* (Students)**

Section IV: Corporate Governance

Class 10 - Corporate Governance

- General Reading:
 - Jensen, Michael C., 1986, Agency Cost of Free Cash Flow, Corporate Finance and Takeovers, *American Economic Review* 76, 323-329.
 - Shleifer, Andrei and Robert W. Vishey, 1997, A Survey of Corporate Governance, *Journal of Finance* LII, 737-738.
- Impact of Corporate Governance Problem:
 - Stealing Corporate Resources and Enjoy Private Benefits of Control:
 - Evidence from Managerial Compensation
 - Jensen and Murphy, 1990, Performance pay and top management incentives, *Journal of Political Economy* 98, 225-264
 - Core, John E., Robert W. Holthausen, and David F. Larcker, 1999, Corporate Governance, Chief Executive Officer Compensation, and Firm Performance, *Journal of Financial Economics* 51, 371-406.
 - Bertrand, Marianne and Sendhil Mullainathan, 2001, Are CEOs Reward for Luck? The One without Principals Are, *Quarterly Journal of Economics* 116, 901-932.
 - Morse, Adair, Vikram Nanda, and Amit Seru, 2008, Are Incentive Contracts Rigged by Powerful CEOs? Working Paper, Available at http://faculty.chicagobooth.edu/adair.morse/research/MorseNandaSeruCeo_paper.pdf
 - Evidence from Tunneling
 - **Bertrand, Marianne, Paras Mehta, and Sendhil Mullainathan, 2002, Ferreting out Tunneling: An Application to Indian Business Groups, *Quarterly Journal of Economics* 117, 121-148. (Students)**
 - Enjoy Quiet Life:
 - **Bertrand, Marianne and Sendhil Mullainathan, 2003, Enjoying the Quiet Life? Corporate Governance and Managerial Preferences,**

***Journal of Political Economy* 111, 1043-1075. (Instructor)**

- Atanassov, Julian, 2008, Do Hostile Takeovers Stifle Innovation? Evidence from Antitakeover Legislation and Corporate Patenting, Working Paper, Available at SSRN: <http://ssrn.com/abstract=967421>
- Cronqvist, Henrik, Fredrik Heyman, Mattias Nilsson, Helena Svaleryd, and Jonas Vlachos, 2009, Do entrenched managers pay their workers more? *Journal of Finance* 64, 309-340.
- What Determines the Quality of Corporate Governance:
 - Managerial Ownership:
 - Demsetz, Harold and Kenneth Lehn, 1985, The Structure of Corporate Ownership: Causes and Consequences, *Journal of Political Economy* 93, 1155-1177.
 - Morck, Randall, Andrei Shleifer, and Robert W. Vishney, 1988, Management Ownership and Market Valuation: An Empirical Analysis, *Journal of Financial Economics* 20, 293-315
 - McConnell, John J. and Henri Servaes, 1990, Additional Evidence on Equity Ownership and Corporate Value, *Journal of Financial Economics* 27, 187-223
 - Himmelberg, Charles P. R. Glenn Hubbard, and Darius Palia, 1999, Understanding the Determinants of Managerial Ownership and the Link between Ownership and Performance, *Journal of Financial Economics* 53, 353-384
 - Effects of Board:
 - Hermalin, Benjamin E. and Michael S. Weisbach, 1988, The Determinants of Board Composition, *RAND Journal of Economics* 19, 589-606.
 - Hermalin, Benjamin E. and Michael S. Weisbach, 1998, Endogenously Chosen Boards of Directors and Their Monitoring of the CEO, *American Economic Review* 88, 96-118.
 - Hermalin, Benjamin E. and Michael S. Weisbach, 2003, Boards of Directors as an Endogenously Determined Institution: A Survey of the Economic Literature, *Economic Policy Review* 9, 7-26.
 - External Monitoring from Institutional Investors and Voting Rights:
 - Gillan, Stuart L. and Laura T. Starks, 2000, Corporate Governance Proposals and Shareholder Activism: The Role of Institutional Investors, *Journal of Financial Economics* 57, 275-303.
 - Jay C. Hartzell and Laura T. Starks. 2003. Institutional Investors and Executive Compensation. *Journal of Finance* 58, 2351-2374.
 - Holderness, Clifford G., 2003, A Survey of Blockholdings and Corporate Control, *Economic Policy Review* 9, 51-64.
 - Davis, Gerald F. and E. Han Kim, 2007, Business Ties and Proxy Voting by Mutual Funds, *Journal of Financial Economics* 85, 552-570.
 - Cai, Jie, Jacqueline L. Carner, and Ralph A. Walking, 2009, Electing

- Directors, forthcoming *Journal of Finance*.
- External Monitoring from Financial Institutes:
 - Jensen, Michael C. and William H. Meckling, 1976, Theory of the Firm: Managerial Behavior, Agency Costs, and Capital Structure, *Journal of Financial Economics* 3, 305-360.
 - Berger, Ofek and Yermack, 1997, Managerial entrenchment and capital structure decisions, *Journal of Finance* 52, 1411-1438.
 - Pressures from Project Market Competition:
 - Maria Guadalupe and Francisco Perez-Gonzalez, 2007, The Impact of Product Market Competition on Private Benefits of Control, Working paper. Available at <http://www.law.virginia.edu/pdf/olin/conf07/P%3%A9rez-Gonz%3%A1lez.pdf>
 - Giroud, Xavier and Mueller, Holger M., 2009, Does Corporate Governance Matter in Competitive Industries? *Journal of Financial Economics*, forthcoming.
 - Pressures from Market of Corporate Control:
 - Bertrand, Marianne and Sendhil Mullinathan, 2003, Enjoying the Quiet Life? Corporate Governance and Managerial Preferences, *Journal of Political Economy* 111, 1043-1075.
 - Gompers, Paul, Joy Ishii, and Andrew Metrick, 2003, Corporate Governance and Equity Prices, *Quarterly Journal of Economics* 118, 107-155.
 - Bebchuk, Lucian, Alma Cohen, and Allen Ferrell, 2004, What Matters in Corporate Governance? *Review of Financial Studies* 22, 783-827.
 - Effects of Regulations:
 - Chnaochharia, Vidhi and Yaniv Grinstein, 2007, Corporate Governance and Firms Value: The Impact of the 2002 governance Rules, the *Journal of Finance* Vol. LXII. NO4. August 2007
 - **Chnaochharia, Vidhi and Yaniv Grinstein, 2008, CEO Compensation and Board Structure, Force coming the Journal of Finance (Students)**
 - Interactions among Governance Mechanisms:
 - Cremers and Nair, Governance Mechanisms and Equity Prices, 2005, *Journal of Finance*, Volume 60 Page 2859.
 - Studies on CEO and Top Management Teams:
 - Bertrand, Marianne and Antoinette Schoar, Managing with Style: The Effect of Managers on Firm Policies, *Quarterly Journal of Economics* 118, 1169-1208.
 - Bebchuk, Lucian, Martjin Cremers, and Urs Peyer, 2008, CEO centrality, Harvard Law and Economics Discussion Paper No. 601. Available at <http://www.nber.org/papers/w13701.pdf>
 - Graham, John R., Si Li, and Jiaping Qiu, 2009, Managerial Attributes and Executive Compensation, Working Paper. Available at SSRN:

Class 11 - Law and Finance and Financial Market Development

- What Determines Legal Environments:
 - Rafael La Porta, Florencio Lopez-de-Silanes, Andrei Shleifer, and Robert W. Vishny, 1998, Law and Finance, *Journal of Political Economy* 106, 1113-1155.
- Effects of Legal Environments
 - Economics Growth and Development:
 - Levine, Ross, 1998, The Legal Environment, Banks and Long-Run Economic Growth, *Journal of Money, Credit and Banking* 30, 596-613.
 - Allen, Franklin; Jun Qian and Meijun Qian, 2003, Law, Finance, and Economic Growth in China, *Journal of Financial Economics* 77, 57-116.
 - On Corporate Governance and Performance:
 - **La Porta, Rafeal, Florencio Lopez-De-Silanes, Andrei Shleifer, and Robert Vishny, 2002, Investor Protection and Corporate Valuation, *Journal of Finance* 57, 1147-1170. (Instructor)**
 - Shleifer, Andrei and Daniel Wolfenzon, 2002, Investor Protection and Equity Markets, *Journal of Financial Economics* 66, 3-27.
 - Durnev Art and E. Han Kim, 2005, To Steal or Not to Steal: Firm Attributes, Legal Environment, and Valuation, *Journal of Finance* 60, 1461-1493.
 - Efficiency of Capital Markets
 - Morck, Randall, Bernard Yeung, and Wayne Yu, 2000, The Information Content of Stock Markets: Why Do Emerging Markets have Synchronous Stock Price Movements? *Journal of Financial Economics* 58, 215-260.
 - Wurgler, Jeffrey, 2000, Financial markets and the allocation of capital, *Journal of Financial Economics* 58, 187-214.
 - Financial Policies:
 - Rafael La Porta, Florencio Lopez-De-Silanes, Andrei Shleifer, Robert W. Vishny, Legal Determinants of External Finance, *Journal of Finance* 2, 1131-1150.
 - Firm Growth:
 - Demirgüç-Kunt, Asli and Vojislav Maksimovic, 1998, Law, Finance, and Firm Growth, *Journal of Finance* 53, 2107-2137.
 - Beck, Thorsten, Asli Demirgüç-Kunt, and Vojislav Maksimovic, 2005, Financial and Legal Constraints to Firm Growth: Does Firm Size Matter? *Journal of Finance* 60, 137-177.
- Impact of Labor Laws:
 - Botero, Juan, Simeon Djankov, Rafael LaPorta, Florencio Lopez-de-Silances, and Andrei Shleifer, 2004, The Relation of Labor, *Quarterly Journal of*

Economics 119, 1339-1382.

- Atanassov, Julian and E. Han Kim, 2009, Labor and Corporate Governance: International Evidence from Restructuring Decisions, *Journal of Finance* 64, 341-374.
- Impact of Other Regulations:
 - Djankov, Simeon, Rafael LaPorta, Florencio Lopez-de-Silanes, and Andrei Shleifer, 2002, The Regulation of Entry, *Quarterly Journal of Economics* 117, 1-37.
- Political Connection of Firms:
 - Fisman, Raymond, 2001, Estimating the Value of Political Connections, *American Economic Review* 91, 1095-1102.
 - **Faccio, Mara, 2005, Politically Connected Firms, *American Economic Review* 96, 369-386. (Students)**
 - Faccio, M., W. Masulis, and J. McConnell, 2005, Political Connections and Corporate Bailouts, *Journal of Finance* 61, 2597-2635.
 - Dinc, Serdar, 2005, Politicians and banks: Political Influences on Government-owned Banks in Emerging Countries, *Journal of Financial Economics* 77, 453-479.
 - Khwaja, Asim Ijaz and Atif Mian, 2005, Do Lenders Favor Politically Connected Firms? Rent Provision in an Emerging Financial Market, *Quarterly Journal of Economics*, 1371-1411.
- State Owned Enterprises and Privatization
 - William Megginson and Jeffrey Netter, 2001, From State to Market: A Survey of Empirical Studies on Privatization, *Journal of Economic Literature* 39, 321-389.
 - La Porta, Rafael, Florencio Lopez-de-Silanes, and Andrei Shleifer, 2001, Government Ownership of Banks, *Journal of Finance* 57, 265-301.
 - **Gupta, Nandini, 2005, Partial Privatization and Firm Performance, *Journal of Finance* 60, 987-1015. (Students)**
- Financial Market Development and Economics Growth:
 - Robert G. King, and Ross Levine, 1993, Finance and Growth: Schumpeter Might be Right, *Quarterly Journal of Economics* 108, 717-737.
 - Rajan, Raghuram G., and Luigi Zingales, 1998, Financial Dependence and Growth, *American Economic Review* 88, 559-586.
 - Levine, Ross, and Sara Zervos, Stock Markets, Banks, and Economics Growth, *American Economics Review* 88, 537-558.

Class 12 - Financial Market Globalization and International Finance (Middle Survey III)

- Financial Market Liberalization:
 - **Henry, Peter Blair, 2002, Stock Market Liberalization, Economic Reform, and Emerging Market Equity Prices, *Journal of Finance* 55, 529-564. (Instructor)**
 - Henry, Peter Blair, 2002, Do Stock Market Liberalizations Cause Investment Booms, *Journal of Financial Economics* 58, 301-334.

- Cross-listing Shares:
 - Rene Stulz, The globalization of equity markets and the cost of capital, PDF.
 - Andrew Karolyi, 1998, Why Do Companies List Their Shares Abroad?: Survey of the Evidence and its Managerial Implications, 7, #1, Salomon Brothers Monograph Series, New York University, Available at <http://fisher.osu.edu/fin/faculty/karolyi/papers/FIIFinal0298.pdf>
 - **Doidge, Graig, G. Andrew Karolyi, Rene M. Stulz, 2004, Why are Foreign Firms Listed in The U.S. Worth More? *Journal of Financial Economics* 71, 205-238. (Students)**
- Cross-border Acquisitions:
 - Bris, Arturo and Christos Cabolis, 2008, The Value of Investor Protection: Firm Evidence from Cross-Border Mergers, *Review of Financial Studies*, Forthcoming.
- Foreign Direct Investments:
 - Borensztein, E. J. DeGregorio, and J-W Lee,(1998), How Does Foreign Direct Investment Affect Economic Growth? *Journal of International Economics*, 45, 115-135.
 - Aitken, Brian and Ann E. Harrison, 1999, Do Domestic Firms Benefit from Direct Foreign Investment? Evidence from Venezuela, *American Economic Review* 89, 605-618.
 - **Alfaro, Laura and Areendam Chanda, Sebnem Kalemli-Ozcan and Selin Sayek, 2004, FDI and Economic Growth: The Role of Local Financial Markets, *Journal of International Economics* 64, 89-112. (Students)**
 - Alfaro, Laura, Sebnem Kalemli-Ozcan and Vadym volosovych, 2008, Why Doesn't Capital Flow from Rich to Poor Countries? An Empirical Investigation, *Review of Economics and Statistics* 90, 347-368.

Class 13: Empirical Asset Pricing by Prof. Cao

Class 14: Financial Database by Prof. Zhu, Shiwu

Class 15: Class Overview

Class 16: Final Presentations

Each research group will present the research idea of the final paper to the class. These presentations are meant to give students early feedback on their ideas.

Course Syllabus

Course Number: 40510713

Course Name (CH): 精算学基础

Course Name (EN): Foundations of Actuarial Science

Credits: 3

Prerequisites:

Teaching Language: CH CH+EN (EN \geq 50%) EN

Courseware Language: CH EN

Teaching Method: lecture (with questions from students encouraged. Two Excel applications in small groups.) discussion case study literature reading

computer-aided assignment students' in-class presentation

Semester: spring autumn summer

Course Category: core course elective course

Target Students: Undergraduate Master PhD MBA EMBA TIEMBA

Instructor: Jean Lemaire

Office: Room 386, Wei Lun Building

E-mail: lemaire@wharton.upenn.edu

Office Phone: 6278 2830

Office Hours:

Discussion Board: <http://learning.sem.tsinghua.edu.cn>

TA:

Course Description:

For actuarial students, the course addresses a number of fundamental topics from two certifications actuarial examinations: SoA Course MLC / CAS Part 3, and SoA Course C / CAS Part 4, as well as more advanced topics of current interest. For non-actuarial students, this is a course about practical applications of stochastic processes to insurance, financial, and medical issues. Topics covered include:

- The Poisson process
- The Distribution of waiting times
- Thinning of Poisson processes
- Non-homogeneous Poisson processes
- Compound Poisson processes
- Mixed Poisson processes
- The individual and collective risk models
- Convolution of two random variables
- Moments of aggregate losses

- Normal approximations
- Net stop loss premiums
- Discrete Markov Chains: Definitions
- Chapman-Kolmogorov equations
- The stationary distribution
- Applications of Markov Chains to credit scoring, gambler's ruin, genetics, bonus-malus systems
- Present value of cash flows in Markov Chains
- Applications to retirement communities
- Continuous Markov Chains: Application to genetics

Pre-requisites:

While every attempt will be made to make the course self-contained, a solid one-semester foundation course in probability theory is a must, as well as a working knowledge of Excel

Textbooks & References:

Stuart Klugman, Harry Panjer, and Gordon Willmot, Loss Models: From Data to Decisions, John Wiley and Sons, 2nd edition (chapter 6) or 3rd edition (chapter 9)

Jean Lemaire and Hongmin Zi, A Comparative Analysis of 30 Bonus-Malus Systems, ASTIN Bulletin 24, 1994, 287-309. <http://www.actuaries.org/LIBRARY/ASTIN/vol24no2/287.pdf>

James W. Daniel, Multi-state transition models with actuarial applications
<http://www.soa.org/files/pdf/edu-2008-spring-mlc-24-2nd.pdf>

James W. Daniel, Poisson processes (and mixture distributions)
<http://www.soa.org/files/pdf/edu-2008-spring-mlc-28-n.pdf>

Past exam questions (course pack)

Grading:

Part 1 examination (30%)

Part 2 examination (40%)

Part 3 examination (30%)

For all examinations students are allowed to bring in class a two-page document with main formulas, a $N(0,1)$ table, and a calculator.

Teaching Schedule:

Day 1: May 23, 13:30-15:05; 15:20-16:55

Module 1: The Poisson process

Module 2: The distribution of waiting times

Module 3: Thinning

Module 4: Relax time: “A day in the life of an actuary: Boring?”

Day 2: May 25 8:00-9:35; 19:20-21:45

Module 5: Non-homogeneous Poisson processes

Module 6: Compound Poisson processes

Module 7: Compound Poisson processes

Module 8: Compound Poisson processes

Module 9: Relax time: Questions/Answers with instructor about American universities

Day 3: May 26 8:00-9:35; 19:20-21:45

Module 10: Mixed Poisson processes

Module 11: Mixed Poisson processes

Module 12: Mixed Poisson processes

Module 13: The Compound Model

Module 14: Convolutions

Day 4: May 27 8:00 – 9:35, 15:20-16:55; 17:05-18:40

Module 15: Convolutions

Module 16: Moments of aggregate losses

Module 17: Exam part 1

Module 18: Exam part 1

Module 19: Normal approximations

Module 20: Normal approximations

Day 5: May 28 8:00-9:35; 9:50-11:25; 13:30-15:05; 15:20-16:55

Module 21: Net stop-loss premiums

Module 22: Net stop-loss premiums

Module 23: Examples

Module 24: Examples

Module 25: Markov Chains definitions

Module 26: Markov Chains definitions

Module 27: Chapman-Kolmogorov equations

Module 28: Chapman-Kolmogorov equations

Day 6: May 30 13:30-15:05; 15:20-16:55

Module 29: Exam part 2

Module 30: Exam part 2

Module 31: The stationary distribution

Module 32: The stationary distribution

Day 7: June 1 8:00-9:35; 19:20-21:45

Module 33: Application: Gambler's ruin

Module 34: Application: Credit scoring

Module 35: Application: Genetics

Module 36: Application: Sickle Cell anemia

Module 37: Bonus-Malus Systems in Automobile Insurance

Day 8: June 2 8:00-9:35; 19:20-21:45

Module 38: Bonus-Malus Systems in Automobile Insurance

Module 39: Group Excel application: The Chinese Bonus-Malus System

Module 40: Group Excel application: The Chinese Bonus-Malus System

Module 41: Application: Adverse Selection in insurance markets due to the breast cancer
BCA gene

Module 42: Application: Adverse Selection in insurance markets due to the breast cancer
BCA gene

Day 9: June 3 8:00-10:25

Module 43: Present value of cash flows in Markov Chains

Module 44: Group Excel application: Continuing Care Retirement Community

Module 45: Group Excel application: Continuing Care Retirement Community

Day 10

Module 46: Final exam

Module 47: Final exam

Module 48: Final exam

Other requirements and information:

All weekly reading assignments should be completed *before the class meeting* indicated.

All homework assignments should be submitted one week *after the class meeting* indicated.

Course Syllabus

Course Number: 40510323
Course Name (CH): 中级财务会计(1)
Course Name (EN): Intermediate Financial Accounting (1)
Credits: 3
Prerequisites: Introductory Financial Accounting
Teaching Language: EN
Course Language: EN
Semester: Spring
Course Category: Core Course
Target Students: Undergraduates

Class Time and Location:
Instructor: Ting Luo (罗婷)
Office: 201H WeiLun Building
E-mail: luot@sem.tsinghua.edu.cn
Office Phone: 62771904
Office Hour: Friday
Discussion Board: <http://learning.sem.tsinghua.edu.cn>
Temporary Account: Password:

TA:

Course Description:

The course builds on your knowledge of corporate reporting theory and techniques as used to record, process, and report financial information. While some emphasis is placed on analysis, interpretation, and use of accounting data for investing, credit, and management decisions, the reporting function of accounting to external users (investors and creditors) will be stressed. Current financial reporting and disclosure requirements, plus emerging practices and business ethics, will be discussed in class.

Students entering this class are assumed to have a foundation in:

- The accounting cycle, debits and credits, and financial statements
- Time value of money

We will use a mixture of lecture and discussion to develop students' understanding of the accounting concepts and technical accounting content. The content of each lecture presumes and expects that students have carefully read the assigned readings before class. Lectures will emphasize the major topics and readings. Students are encouraged to ask questions and to stimulate discussion on topics which you have difficulty understanding.

We will cover the following topics during the semester:

1. *Overview of accounting standards and financial reporting,*
2. *Conceptual framework of financial accounting,*
3. *Financial statements,*
4. *Cash and receivables,*
5. *Valuation of inventories,*
6. *Property, Plant, and Equipment,*
7. *Intangible assets.*
8. *Contingencies and debt classification*
9. *Bonds / Notes Payable*

Textbook:

Intermediate Accounting: Wiley Asian Student Edition by Kieso, Weygandt and Warfield 13th ed. Wiley 2009

Grading:

The following table summarizes each component of your grade for this course and the weight assigned to each component.

Component	Percent
Midterm	30%
Final exam	45%
Quizzes	10%
Homework	10%
Project	5%
Total	<u>100%</u>

Exams There will be two exams (closed book/notes) as indicated below in course schedule. The format for the exams might be multiple choice, short answer, and problems.

Homework. The Pre Assignments presents homework problems that you are expected to be prepared to discuss in class in the week as shown on the accompanying course schedule. The Post Assignments presents homework problems that you are expected to complete after each week's class and submit at the beginning of the next week's class. The assignments **overall** in the course schedule represent **a suggested minimum amount of work** that is considered necessary to achieve understanding of the course material. If you have difficulty with a topic, it is suggested that you work additional exercises or problems.

The solution to the Post Assignment will be posted to Discussion Board after the submission. **The Pre Assignment will be discussed in class and its solution will not be posted.**

You will receive full credits for Homework if you make a reasonable attempt on the submitted Post Assignment. No late homework will be accepted.

Quizzes Two quizzes over assigned readings will be given during the semester. They will generally be pre-announced. There is no make up for a missed quiz.

Project One in-class project will be given during the semester. Students are required to submit a brief report on the project.

Attendance and Class Participation

Regular attendance and class participation are expected for all students. If you must be absent during a class period, please inform the instructor or T.A. and make arrangements to submit the homework before class. Group discussions of the course material are an important part of the learning process in this course. Students are expected to make a meaningful contribution to the class, whether by asking questions, responding to questions, or contributing in other ways to class discussion.

Class Arrival & Departure You are expected to be in the classroom when class starts. If you need to leave early, please notify the instructor or T.A..

Others Many of the materials for this course will be distributed electronically via the Discussion Board. The lecturing notes in PPT will be posted on around . Please note that the posted notes are subject to revisions. Please print them out on your own and bring them to the class. The homework solution will be posted on around . Be certain to check the board regularly.

Tentative Course Schedule:

Week	Topic	Reading	Assignment	
			Pre Assignment	Post Assignment
Week 1	Financial Accounting and Accounting Standards/ Conceptual Framework underlying Financial Accounting/Accounting Cycle	Chapter 1&2&3	CA1-1, E2-5, E3-10	E2-4, E3-6
Week 2	Income Statement and Balance Sheet	Chapter 4/5	E4-2, P4-7, E5-2, P5-1	E4-4, E4-15, P5-3
Week 3	Quiz; Cash and Receivables	Chapter 7	E7-7, E7-16	E7-5, E7-14, P7-2
Week 4	In-Class Project			
Week 5	Valuation of Inventories: A Cost Basis Approach	Chapter 8	E8-1, E8-9, E8-11	E8-15, E8-17
Week 6	Mid-term Exam (No class)	Materials covered in Week 1-5		
Week 7	Inventories: Additional Valuation Issues	Chapter 9	E9-2, E9-20	E9-4, E9-10, E9-13
Week 8	Acquisition and Disposition of Property, Plant, and Equipment	Chapter 10	E10-5, P10-8	E10-13, E10-7, E10-8
Week 9	Depreciation, Impairments, and Depletion; Intangible Assets	Chapter 11/12	E11-12, E11-22, E11-16, E12-1, E12-9, E12-13	E11-2, E11-17, E12-4, E12-10, E12-17
Week 10	Quiz; Contingencies and debt classification	Chapter 13	E13-10, E13-16	E13-4, E13-13
Week 11	Bonds / Notes Payable	Chapter 14	E14-3, E14-5,	E14-9, P14-1
Week 12	Final exam (No class)	Materials covered in Week 7-11		

Other requirements and information:

1. 《企业会计准则 2006》，经济科学出版社，2006.3.

2. **Similarities and Differences – A Comparison of IFRS and US GAAP**

Course Syllabus

Course Number: 40511202

Course Name (CH): 国际商务

Course Name (EN): International Business

Credits: 2

Prerequisites:

Teaching Language: CH CH+EN (EN ≥50%) EN

Courseware Language: CH EN

Teaching Method: lecture discussion case study literature reading
computer-aided assignment students' in-class presentation

Assessment Method: in-class quiz oral presentation group discussion case
analysis (report) final report/thesis final exam practice project (report)
others _____

Semester: spring autumn summer

Course Category: core course elective course

Target Students: Undergraduate Master PhD MBA EMBA
TIEMBA

Instructor: Dr. Zhirong DUAN

Office: Weilun 313

E-mail: duanzhr@sem.tsinghua.edu.cn

Office Phone: 62798445

Office Hour: TBA

Discussion Board: <http://learning.sem.tsinghua.edu.cn/>

TA:

E-mail:

Course Description (course objectives and content):

The influence of international businesses is bigger and more important to our daily life today than ever before. Over the years, tools have been developed, practices enhanced, and knowledge accumulated in the international business arena. This course is aimed to help the students acquire these tools together with managerial and theoretical insights, and as a result, develop a holistic view of the environment and business activities of firms in the international marketplace. In addition, a China-related perspective will be woven into some topics to leverage the learning environment.

Under the big question “What determines the success and failure of firms around the globe?” the course objectives are identified as:

1. To introduce the student to current theory and practice in international business
2. To develop the student's ability to analyze environment in an integrated manner

3. To explain international business in an integrated framework using strategic management point of view
4. To develop knowledge of operational tools and options, methods and strategies available to corporate managers in their global arena
5. To enhance the student's ability to identify problems and produce creative, practical and action-oriented solutions in the changing environment of international business.

Textbooks & References:

Textbook:

1. Peng, Mike W. (2008). *Global Business*. Cengage Learning. (Abbreviated, within-China distribution only version available from China Renmin University Press, 2010)

Other Reference Books:

2. Cavusgil, Tamer, Gary Knight, and J. Riesenberger (2008). *International Business: Strategy, Management, and New Realities*. Prentice Hall. (Within-China distribution only version available from Tsinghua University Press, 2010)
3. Daniels, John D., Lee H. Radenbaugh (2009). *International Business: Environment and Operations*, Eleventh Edition. Prentice Hall. (Within-China distribution only version available from China Machine Press)
4. Hill, Charles W.L. (2009). *International Business: Competing in the Global Marketplace*, 7th Edition. McGraw-Hill. (Abbreviated, within-China distribution only version available from China Renmin University Press)

Grading (percentage of all the assessment methods involved):

No.	Assessment method	Percentage
1	Class Attendance and Participation	10%
2	Country Presentation (team assignment)	30%
3	Case Presentation (team assignment)	30%
4	Project Report (individual assignment)	20%
5	Course Reflection (individual assignment)	10%

Teaching Schedule (weeks, content, assignments.) :

Week	Content	Literature reading	cases
1	Introduction: What is International Business?	Cavusgil et al. (2008), Chapter 1	TBA
2	Global Markets and Internationalization of Firms	Cavusgil et al. (2008), Chapter 2	TBA
3	The Global Economic Environment and Institutions	Cavusgil et al. (2008), Chapters 3 & 4	TBA

4	National Trade and Investment Policies (Guest Lecture)	Ibid.	TBA
5	Analytical Framework for International Business Strategies: Country Analysis and CAGE (economic and other factors)	Ghemawat, P. (2001), Distance Still Matters, Harvard Business Review, September, 137-147.	TBA
6	Analytical Framework II: Leveraging Capabilities and the OLI Theory	Peng (2008), Chapter 4	TBA
7	Entry Strategies in International Markets	Peng (2008), Chapters 5, 6 & 9 Cavusgil et al. (2008), Chapters 13, 14 & 15	TBA
8	Alliances and Acquisitions	Peng (2008), Chapter 11	TBA
9	Strategy and Structure	Peng (2008), Chapter 13	TBA
10	The Influence of Global Financial Environment	Peng (2008), Chapter 7 Cavusgil et al. (2008), Chapters 10 and 19	TBA
11	Trends in International Business Environment (e.g., global sourcing) and Emerging Markets	Cavusgil et al. (2008), Chapters 9 & 16	TBA
12	Marketing in the Global Firm	Peng (2008), Chapter 15	TBA
13	Human Resource Management in the Global Firm	Peng (2008), Chapter 14	TBA
14	Governing the Global Corporation, Entrepreneurs and Leadership	Peng (2008), Chapters 10 & 16	TBA
15	Corporate Social Responsibility	Peng (2008), Chapter 17	TBA
16	Course Summary	Peng (2008), Chapter 1	TBA

Other requirements and information:

Depending on the composition of students and classroom availability, the course may be conducted in 16 weeks (2 credit hours per week), 11 weeks (3 credit hours per week), or 8 weeks (4 credit hours per week).

Course Syllabus

Course Number: 30510763

Course Name (CH): 中级宏观经济学

Course Name (EN): Intermediate Macroeconomics

Credits: 3

Prerequisites: Principle of Economics

Teaching Language: CH CH+EN (EN ≥50%) EN

Courseware Language: CH EN

Teaching Method: lecture discussion case study literature reading

computer-aided assignment students' in-class presentation

Semester: spring autumn summer

Course Category: core course elective course

Target Students: Undergraduate Master PhD MBA EMBA TIEMBA

Instructor: Chongen BAI, Binzhen WU

Office: Weilun South 553

E-mail: binzhen.wu@sem.tsinghua.edu.cn

Office Phone: 62772371

Office Hour:

Discussion Board:

TA:

E-mail:

Course Description (course objectives and content):

The primary purpose of this course is to introduce students the modern approach to macroeconomics and how to apply it to analyze macroeconomic issues such as: the determination of national income and price levels in the closed and open economy, the cause of economic growth, the source of unemployment, and the origin of business cycles. A substantial amount of time will be devoted to studying the impact of fiscal and monetary policies.

We will study the economic issues within a unified framework as possible as we can. At the same time, we will also try to introduce alternative theories and models. The main purpose is to introduce the method to study macroeconomics, not the facts and the theories. We emphasize the micro-foundation, and use the neoclassical economics as the benchmark. Nevertheless, we also introduce the Keynesian economics by introducing some market imperfections such as sticky wage and search in labor market.

We will start with the basic facts and issues in macroeconomics. Then we will introduce the modern approach to address these issues. We will study how different markets work together

in general equilibrium. Markets for labor, saving and investment, and financial assets interact to determine the economy's long-run growth and its fluctuations.

Textbooks & References:

Textbook: Williamson, Stephen D. Macroeconomics, 2nd edition, 2005, Addison Wesley.

Reference: Mankiw, N. Gregory, Macroeconomics, 6th edition, 2006, Worth Publishers.

Alan J. Auerbach and Laurence J. Kotlikoff, Macroeconomics, An Integrated Approach, 2nd edition, 1998, South-Western Publishing Co., 1995, MIT press.

Grading (percentage of all the evaluation methods involved) :

The grade will be based on your performance on the following: Problem Sets (10%), a Midterm (30%), and a Final Exam (60%).

Teaching Schedule (weeks, content, assignments. It can be in the tabular form.) :

Part one: Introduction, Measurement, and Observations on the macroeconomics

Lecture 1. Introduction and Measurement (Text, Chapter 1, 2)

Lecture 2. Growth and Business Cycles observations (Text, Chapter 2, 3)

Part two: Building macroeconomics models from microeconomic principle

Lecture 3. The static (one-period) general equilibrium model (Text, Chapter 4)

Lecture 4. The static (one-period) general equilibrium model (Text, Chapter 5)

Lecture 5. Dynamic (two-period) general equilibrium model (Text, Chapter 8)

Lecture 6. A Real Intertemporal Model with Investment (Text Chapter 9)

Midterm

Part Three. Economic Growth

Lecture 7. Malthusian model and Solow model (Text Chapter 6)

Lecture 8. Endogenous growth model (Text Chapter 7)

Part Four. Business Cycle

Lecture 9. Introduction of money (Text Chapter 10)

Lecture 10. Market-Clearing Models of the Business Cycle (Text Chapter 11)

Lecture 11. Keynesian Business Cycle theory: the sticky wage model (Text Chapter 12)

Part Five: Extensions: Some topics in macroeconomics

Lecture 12. Macroeconomic model in an open Economy (Text Chapter 13 14)

Lecture 13. Unemployment (Text Chapter 16)

Lecture 14. Money, inflation, and banking (Text Chapter 15)

Lecture 15. Inflation, the Phillips Curve, and Central Bank Commitment (Text Chapter 17)

Other requirements and information:

None.

Course Syllabus

Course Number: 40510343

Course Name (CH): 管理会计(1)

Course Name (EN): Management Accounting (1)

Credits: 3

Prerequisites: Financial Accounting

Teaching Language: CH CH+EN (EN ≥50%) EN

Courseware Language: CH EN

Teaching Method: lecture discussion case study literature reading
computer-aided assignment students' in-class presentation

Semester: spring autumn summer

Course Category: core course elective course

Target Students: Undergraduate Master PhD MBA EMBA TIEMBA

Instructor: Haiyan ZHANG

Office: Room 319, Weilun Building, School of Economics and Management

Email: zhanghy@sem.tsinghua.edu.cn

Phone: 86-10-62792617

Office Hour: Thursday 8-12am

or by appointment (Feel free to send e-mail or drop by).

Course Description:

The goal of management accounting is to provide relevant information for top executives' decision, management accounting includes decision related cost measurement, pricing strategy, organization design, budgeting management and performance evaluation. This course will introduce concepts, methods and techniques related to management accounting. Topics can be summarized as the following three areas: (1) fundamental concepts and methods, including cost concept and classification, cost measurement, cost behavior and CVP analysis; (2) fundamental decision process, including marketing decision and production decision; (3) the specific decisions, including standard costing, static budgeting, flexible budgeting, organization design, transferring price, and performance evaluation etc. Based on the trends of modern management accounting, this course will also focus on activity-based costing (ABC), balanced scorecard (BSC), total quality management (TQM) and some other newly developed techniques in this area.

The objective of this course is to enable you to do the following:

1. Understand basic costing concepts, cost measurement methods and system;
2. Understand the basic process of decision making in modernized enterprises;
3. Hold a whole picture of budgeting management and performance evaluation;
4. Can solve some management accounting problems in the real world.

The approaches of the course include literature reading, lecture, case analysis and discussion, homework, group report and presentation.

Course Materials:

1. Textbook: Charles T. Horngren, Gary L. Sundem, William O. Stratton, *Introduction to Management Accounting, Chapters 1-17*, 2007 (thirteenth) edition, Prentice Hall

2. Supplementary materials: Lecture notes, solution manual and cases

3. Reference books:

- (1) Michael L. Werner, Kumen H. Jones, *Management Accounting*, Shanghai Lixin Accounting Press, August 2009.
- (2) Jerold L. Zimmerman, *Accounting for Decision Making and Control*, 4th edition, McGraw-Hill (2003).
- (3) Anthony A. Atkinson, Rajav D. Banker, Robert S. Kaplan, and S.Mark Young, *Management Accounting*, 3rd edition, Prentice-Hall (2001) [Tsinghua University Press].
- (4) *Harvard Business Review on Managing the Value Chain*, HBS Press 1999
- (5) Paul R. Niven. *Balanced Scorecard Step by Step: maximizing performance and maintaining result*, John Wiley & Sons, Inc (2002).

Grading:

The final grade will be based on the following:

Quiz (10%); Group Case Report and Presentation (20%); Final Exam (50%) Homework (10%); Class Participation (10%)

Course Schedule:

Week	Chapter	Topic	Case presentation
1	1	Users and uses of management accounting	
2	2	Cost behavior and CVP analysis	
3		Holiday	
4	3	Measurement of cost behavior	East Asian Airlines, Inc.
5	4	Activity-based costing	Quiz1

6	5	Relevant information and marketing decisions	Prestige Telephone Company
7	6	Relevant information and production decisions	Delta's New Song: A Case on Cost Estimation in the Airline Industry
8	7	The master budget	
9	8	Flexible budget and variance analysis	Quiz2
10	9	Management control and responsibility accounting	ABC in the Service Sector: the Buckeye National Bank
11	10	Management control in decentralized organizations	Main Line vs. Basinger: A Case in Relevant Costs and Incremental Analysis
12	12	Cost allocation	Budgeting and Performance Evaluation at the Berkshire Toy Company
13	13	Job-costing system	The Evolution from Taylorism to Employee Gainsharing: A Case Study Examining John Deere's Continuous Improvement Pay Plan
14	14	Process-costing system	HCS: Design a Balanced Scorecard in a Knowledge-Based Firm
15	15	Variable absorption costing	Daniel Dobbins Distillery, Inc.
16		To be determined	

Other requirements:

Have learned introduction to accounting or other financial accounting related courses.

Course Syllabus

Course Number: 30510202

Course Name (CH): 管理信息系统

Course Name (EN): Management Information Systems

Credits: 2

Prerequisites:

Teaching Language: CH CH+EN (EN ≥50%) EN

Courseware Language: CH EN

Teaching Method: lecture discussion case study literature reading
computer-aided assignment students' in-class presentation

Semester: spring autumn summer

Course Category: core course elective course

Target Students: Undergraduate Master PhD MBA EMBA TIEMBA

Instructor: Guoqing CHEN

Office: Weilun Building 256C (Tsinghua SEM)

E-mail: chengq@sem.tsinghua.edu.cn

Office Phone: 62772940

Office Hour:

Discussion Board:

TA: Baojun MA, PhD candidates, Tsinghua SEM

E-mail: mabj.03@sem.tsinghua.edu.cn

Course Description:

The objectives of the Management Information Systems (MIS) course are to provide the students with (1) a understanding of MIS essentials and prospects from a combined perspective of technology and management, in the context of pervasive Internet applications; (2) a mastery of some classical MIS theories and methods; (3) a mastery of some new MIS concepts and techniques; and (4) a understanding of certain key issues of and thoughts on information technology (IT) management.

In the context of rapid advances in information technology (IT) and Internet applications, the course covers a series of related materials as follows: (1) Gaining competitive advantage with IT (e.g., supply chain management and ERP, customer relationship management, business intelligence); (2) Discovering knowledge from data for decisions (e.g., knowledge types, data mining tools, association rules); (3) Organizing and use of information (e.g., conceptual descriptions, ties within information, data integrity); (4) Information systems development cycle and business descriptions; (5) Other information analytical techniques for managerial decisions (e.g., optimal decisions, alternatives, scenarios); (6) IT management (e.g., IT projects, outsourcing, business continuity); (7) Emerging trends (e.g., e-commerce and

emerging technologies).

The content of the course also includes case discussions (e.g., Digital China, CSC and General Dynamics), lab studies (e.g., SAP ERP, BO, spreadsheets), business practices (e.g., invited speakers), etc.

Textbooks & References:

Textbook and teaching materials

Textbook:

S. Haag, M. Cummings, 《Information Systems Essentials》, McGraw-Hill (International Edition), 2007 (or higher edition) .

Referential and course material: available in class.

Grading:

Assignments (45%) + Final (45%) + Participation (10%)

Teaching Schedule (weeks, content, assignments. It can be in the tabular form.) :

Session plan (tentative):

Week	Session	Content	Textbook Haag/Cummings
1 st	1	I	Chpt. one/Intro.
	2	II	Chpt. one
2 nd	3	III/SAP ERP	Chpt. two
	4	IV	Chpt. three
3 rd	5	IV	Chpt. three
	6	Digital China	*
4 th	7	IV/Business Objects	*
	8	V	Chpt. four
5 th	9	VI	Chpt. three
	10	VII	Chpt. six
6 th	11	VII	Chpt. six
	12	VIII	Chpt. six
7 th	13	CSC/GD	*
	14	IX/ERP markets	*
8 th	15	IX	Chpt. nine
	16	Summary	

*additional teaching materials provided

Course schedule

I. Introduction

- 1.1 Careers in business
- 1.2 Information technology skills
- 1.3 Course outline

II. Information Age and IT in Business

- 2.1 IT fusion
- 2.2 Information systems
- 2.3 Information management

III. Gaining Competitive Advantage with IT

- 3.1 Supply chain management and ERP
- 3.2 Customer relationship management
- 3.3 Business intelligence

Lab study: SAP ERP

Case study: Digital China

IV. Knowledge Discovery for Decision Support

- 4.1 Types of business knowledge
- 4.2 Data mining tools
- 4.3 Discovering association rules

Lab study: Business Objects

V. Information Analytical techniques in Decision Making

- 5.1 Optimal decisions
- 5.2 Alternative decisions
- 5.3 Decision scenarios

Lab study: Spreadsheet tools

VI. Data Modeling

- 6.1 Conceptual modeling
- 6.2 Logical ties within information
- 6.3 Data integrity

VII. Systems Development

- 7.1 Insourcing and the systems development life cycle
- 7.2 Business modeling: an object-oriented perspective

VIII. IT Management

- 8.1 IT projects and implementation
- 8.2 Outsourcing

Case study: CSC and General Dynamics

IX. Trends and Summary

9.1 Emerging technologies

9.2 E-business/commerce

Other requirements and information:

Course webpage: http://mse.sem.tsinghua.edu.cn/mis_course

About the Instructors

Guoqing Chen received his PhD from Catholic University of Leuven in 1992, and currently is professor at Tsinghua SEM. Professor Chen is president of China's Association for Information Systems (CNAIS), and recipient of several national prizes including 2007 National Prize for Outstanding Achievements in Management, as well as of several Tsinghua's awards for Excellence in Teaching. He was appointed as China's National Chang-Jiang Scholars Professor, and EMC² Chair Professor of Information Systems. Professor Chen is author/co-author of several books including 《Business Intelligence》 (EIP, 2009), 《Management Information Systems》 (HEP, 2006) , 《IT Strategy and Competitive Advantage》 (HEP, 2003), 《Fuzzy Logic in Data Modeling》 (Kluwer, 1998), etc. (chengq@sem.tsinghua.edu.cn; 62772940)

Xunhua Guo received his PhD from Tsinghua University in 2005, and currently is assistant professor at Tsinghua SEM. Dr. Guo has publications in international journals including *Communications of the ACM*, *Information Sciences*, *Information Systems Frontiers*, *Journal of Global Information Management*, *Journal of Enterprise Information Management*, *Database and Advances in Information Systems*, etc., and in Harvard Business School Press for cases on Chinese firms. He also serves as assistant editor for China Journal of Information Systems (CJIS), and is co-author of the books such as 《Information Systems Management》 (RUP, 2005), etc. (guoxh@sem.tsinghua.edu.cn; 62792738)

Course Syllabus

Course Number: 40510652

Course Name (CH): 组织设计与人力资源经济学

Course Name (EN): Organizational Design and Human Resource Management Economics

Credits: 2

Prerequisites: None

Teaching Language: CH CH+EN (EN ≥50%) EN

Courseware Language: CH EN

Teaching Method: lecture discussion case study literature reading
computer-aided assignment students' in-class presentation

Assessment Method: in-class quiz oral presentation group discussion case analysis (report) final report/thesis final exam practice project (report) others _____

Semester: spring autumn summer

Course Category: core course elective course

Target Students: undergraduates master students doctoral students
MBA EMBA

Instructor: Xue Qiao

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Office Hour:

Discussion Board:

TA:

E-mail:

Course Description:

In this course we study economic principles of organizational design and internal labor markets. Economists have long recognized the great importance of organization to productivity. Adam Smith, for example, used the experience of a pin factory to argue that specialization is the greatest cause of the productive power of labor. Since the 1970s, employing tools of modern economics, organizational theory has become a frontier of microeconomics. The specific topics we study include allocation of ownership in an organization, wage determination, screening of employees, principal agent relationship, human capital investment, job design, hierarchy, bargaining between parties, etc. Comparative experiences of employment practices in different firms and across countries are also studied, along with the theories.

Textbooks & References:

Personnel Economics for Managers, Edward Lazear, 1998, published by John Wiley & Sons, Inc. ISBN: 0-471-59466-0.

Additional References:

1. *Dynamic Human Resource Systems: Cross-National Comparisons*, by James P. Begin, 1997, Walter de Gruyter.
2. *Modern Labor Economics: Theory and Public Policy*, 7th edition, by Ronald G. Ehrenberg and Robert S. Smith, 2000. Addison-Wesley
3. More readings are listed under each topic.

Grading (percentage of all the assessment methods involved):

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No.	Assessment method	Percentage
1	Class participation and contribution	20%
2	Final Examination	40%
3	Short Essay	40%

Teaching Schedule (weeks, content, assignments. It can be in the tabular form.) :

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I. Rationality, Coordination and Economic Organization (1st week)

1. Rational economic man: Self interest and mutual dependence.
2. Fundamental problems in organizations. (Ben-Ner, et al, 1993).
3. Market as an economic organization.
4. Firm as an economic organization.

II. Theory of the firm. (1st week)

1. Before Coase
2. The nature of the firm (Coase, 1937).
3. Team and private ownership (Alchian and Demsetz, 1976).
4. Team and 3rd party ownership (Holmstrom, 198?).
5. Vertical integration (Williamson, 1985).
6. Cost and benefit of ownership (Grossman and Hart, 1988).
7. Property rights theory of ownership (Hart and Moore, 1991).

III. Ownership structure and its change (1st -2nd week)

1. Concentrated vs. dispersed ownership.
2. Family holding and its implications.
3. Optimal liquidation. (Chang and Wang, 1992.)
4. The main bank system in Japan (Qian)
5. From a capitalist to a worker-owned firm (Ben-Ner, 1996.)
6. From a worker-owned to a capitalist firm (Ben-Ner, 1988.)

IV. Firms in socialist and emerging market economies. (2nd–3rd week)

1. Public ownership and central planning. (Hayek, 1975 [1935]; Lange; Bardhaman and Romer, 1991.)
2. Labor-managed firm. (Ward, 1958; Vanek.)
3. Soft-budget constraint and economics of shortage. (Kornai, 1980; Dewatripont and Maskin, 1991; Bai and Wang, 1998, 1999; Wang, 1991.)
4. The nature of the TVE (Xu & Weitzman, 1994; Chang & Wang, 1994; Li, 1995; Chang, McCall and Wang, 2003.)
5. Contracting in SOEs. (Chi and Wang, 2006.)
6. Private firms in China during transition. (Wang, 2005; Li and Wang, 2006.)

V. Internal Labor Market. (3rd week)

1. External labor market (王一江, 2004, 《比较》; Besley & Burgess, 2002).
 - Supply, demand, and equilibrium
 - Comparative statics and policy implications
2. Features of internal labor market (Milgrom and Roberts, 1991)
3. HRMS in US, Japanese, and German firms. (Begin, 1997.)

VI. Bargaining in employment relation (3rd week)

1. Bargaining under symmetric information
 - Static bargaining (Nash 195?;)
 - Alternating offer bargaining (Rubinstein)
2. Hicks paradox (Hicks).
3. Bargaining under asymmetric information and strike incidence. (Gibbons, 1991)
4. More on bargaining. (Wang, 1995; Budd and Wang, 1999, 2004.)

VII. Employee selection (4th week)

1. Market for Lemons (Akerlof).
2. Screening mechanisms (Lazear)
 - Testing
 - Probation
 - Performance-based pay

3. Signaling through education (Spence)
4. S-shaped wage profile

VIII. Work incentives (5th week)

1. Moral hazard in organizations:
 - Free riding in teams (Alchian and Demsetz, 1976)
 - Agency (Holmstrom)
 - Influence (Milgrom and Roberts)
2. Optimal sharing rule (Tirole)
3. Efficiency wage
4. Monitoring hierarchy (Qian, 1994)
5. S-shaped wage profile
6. Tournament theory (Lazear)

IX. Human capital investment. (6th week)

1. Decision on education. (Becker, 1964.)
2. General and firm-specific human capital. (Becker, 1964.)
3. Up-or-out contract. (Kahn and Huberman, 1988; Chang and Wang, 2000.)
4. Inadequate training? (Pigou, 1912; Becker, 1964; Chang & Wang, 1996).
5. Uncertainty and up-or-out employment contract (Bai and Wang, 2003).

X. Job Design (6th –7th week)

1. Gains from specialization. (Adam Smith, 1776).
2. Coordination cost and job design. (Becker and Murphy, 1992.)
3. Demand for coordination and job design. (Dessein & Santos, 2003)
4. Product market and job design. (Wang, 2005; Morita.)

XI. Labor mobility (7th week)

1. Optimal separation
2. Voluntary vs. involuntary separation
3. Search model

XII. Explaining heterogeneity in HR practices

1. Multiple labor market equilibria. (Prendergast; Chang and Wang, 1995)
2. Multiskilling. (Carmichael and MacLeod, 1993.)
3. Product market and incentives. (Hermalin, 1994.)

Other requirements and information:

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Students are to be organized into small groups with 4 – 5 members in each group to facilitate discussions and the writing of the short essay. It should be 10 - 15 pages long and apply what

is learned in this course to a real world problem, e.g., an employment or organizational design problem.

Course Syllabus

Course Number: 40510223

Course Name (CH): 生产与运作管理

Course Name (EN): Production and Operation Management

Credits: 3

Prerequisites: None

Teaching Language: CH CH+EN (EN ≥50%) EN

Courseware Language: CH EN

Teaching Method: lecture discussion case study literature reading
computer-aided assignment students' in-class presentation

Semester: spring autumn summer

Course Category: core course elective course

Target Students: Undergraduate Master PhD MBA EMBA TIEMBA

Instructor: Shuo HUANG

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Office Hour:

Discussion Board:

TA:

E-mail:

Course Description (course objectives and content):

From an organizational perspective, operations management may be defined as the management of the direct resources that are required to produce and deliver an organization's good and services. The day-to-day activities within the operations management function focus on adding value for the organization through its transformation process. The main contents of operations management can be divided into four parts: 1) Operations strategy and the firm's competitiveness, including the competitive priorities, the relationship between operations strategy and the firm's competitiveness, operations processes selection, etc. 2) Design of the operations system, such as new product and service development, capacity decision, facility location and layout, job design, etc. 3) Operations planning, organizing and control, including forecasting, operations planning, inventory control, MRP and JIT, supply chain management, etc. 4) The improvements of operations system, including quality control and improvements.

Textbooks & References:

M.M., Davis, N.J. Aquilano, R.B. Chase. Fundamentals of Operations Management. 4th

edition. McGraw-Hill Irwin.

Grading (percentage of all the evaluation methods involved) :

- Quiz and in-class performance: 20%
- Individual assignments: 20%
- Group report: 10%
- Final exam: 50%

Teaching Schedule:

Week	Topics	Assignments
1	Course introduction	
2	Operations strategy and competitiveness	
3	Operations systems design, including new product and new service development, process selection, work design, etc.	Study by yourself: project management Readings: process selection in fast food industry (in textbook)
4	Operations system design (cont'd), including facility location and layout, capacity decision, etc.	First assignment
5	Demand forecasting	Second assignment
6	Aggregate Planning	
7	Solve aggregate planning using linear programming	Third assignment
8	Inventory management: basic concepts	
9	EOQ model and its extensions	Prepare for beer game (in teams of 4 people) Fourth assignment
10	Beer game	
11	Inventory management subject to uncertain demand: Newsboy Model	Report of Beer game (in teams of 4 people) Fifth assignment
12	Materials requirements planning (MRP) system	

13	Just in time (JIT), comparison between MRP and JIT	Readings: JIT in 7-11 Sixth assignment
14	Supply chain management (SCM)	Study by yourself: quality management
15	Group presentation	
16	Wrap-up for the final examination	

Course Syllabus

Course Number: 20510052

Course Name (CH): 随机过程

Course Name (EN): Stochastic Process

Credits: 2

Prerequisites: Elementary Probability theory, Calculus and linear algebra

T Teaching Language: CH CH+EN (EN \geq 50%) EN

Courseware Language: CH EN

Teaching Method: lecture discussion case study literature reading
computer-aided assignment students' in-class presentation

Semester: spring autumn summer

Course Category: core course elective course

Target Students: Undergraduate Master PhD MBA EMBA TIEMBA

Instructor: Lihong ZHANG

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Office Hour: 3:00, Thursday

Discussion Board:

TA:

E-mail:

Course Description:

Stochastic process is the mathematical subject which studies the statistical properties of the random phenomenon changing with time and/or other parameters, is also the theoretical foundation of stochastic model construction. Stochastic process has been widely applied to all areas in science and technology, and is one of the most important mathematical tools in economics and finance. The purpose of this course is supplying the mathematical foundation for undergraduate student to study the economic and financial issues.

The course is mainly on the basis of stochastic process theory and its application in economics and finance. The students are expected to know the basic concepts, the basic properties, and the most common application of stochastic processes and be able to use it in practice. This course includes conditional mathematical expectation, discrete and continuous-time martingale theory, Brownian motion, stochastic integrals, ITO lemma, the theory of stochastic differential equation, measure transformation, Markov process, the point process and the application of stochastic processes in finance, such as arbitrage, Dynamic replication, option pricing, and so on.

The course will involve the teaching on classroom, literature reading, after-school excise and excise solution and so forth.

Textbooks & References:

Thomas Mikosch, Elementary stochastic calculus with finance in view, World Scientific, 1998

J. Michael Steele, Stochastic Calculus and Financial Applications, Springer, 2000

Sheldon M. Ross, Stochastic Processes, John Wiley & Sons.Inc, 1996

Financial Calculus: An Introduction to Derivative Pricing, Cambridge University Press, New York, 1996

Grading:

10%~20% (Exercise) +80%~90% (Final Exam)

Teaching Schedule:

Class #	Content	Exercise	Case
1	Probability and Integral : Review		
2	Conditional Expectation		
3	Stochastic Process		
4	Stochastic Process : Examples	Exercise 1	
5	Martingale		
6	Brownian Motion		
7	Stochastic Integral		
8	Ito lemma	Exercise 2	
9	Stochastic Differential Equations (SDE)		
10	Solution of SDE		
11	Excise Solution	Exercise 3	
12	Martingale and Measure transformation		
13	Stochastic process and asset pricing		

14	Markov Process		
15	Point Process	Exercise 4	
16	TBA		