

**University of Pennsylvania
The Wharton School
Department of Management**

Spring 2008

Syllabus

Course: MGMT 111 - Multinational Management
MW 10:30 -12 am in JMHH F94

Instructor: Adrian E. Tschoegl (pronunciation: churgle)

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This syllabus is a plan, not a contract. I reserve the right to change it without notice.

Office Hours: MTWTF 2 - 3 pm, or by appointment.

Reading Materials: I will post all readings to WebCafé a week in advance. Experience suggests that the amount of reading was only a little above the departmental average. I have increased it slightly this semester.

Course Objective: My objective in this course is to familiarize you with some of the political and economic aspects of the international environment and the environment's impact on the firm. Today all major companies and many smaller ones exist in an international environment. In your careers you will have to deal with that environment.

By the end of the course you should:

- ① be familiar with some key vocabulary and concepts of international business;
- ② have had an opportunity to practice your skills in writing persuasively;
- ③ have had some exposure to managerial implications of the international environment; and
- ④ have a foundation for the Management Department's follow-on courses in Multinational Corporate Strategy (MGMT 205), Globalization and International Political Economy (MGMT 208), Politics and the MNC (MGMT 209), and Comparative Management (MGMT 234).

COURSE POLICIES

GRADING:

I will grade the course on the basis of six one-page memos, one short paper, five quizzes, a final exam and attendance.

- * The memos will represent 30% of your grade.
- * The short paper will represent 20% of your grade.
- * Pop quizzes on the readings or lectures will represent 20% of your grade.
- * The final exam will represent 20% of your grade.
- * Attendance will represent 10% of your grade.

Overall, half your grade will depend on objective items (quizzes, final and attendance) and half will depend on subjective items (memos and paper). At the end of the semester, 40% of your grade (final and paper) will still be open. That means your overall grade may move substantially from the grade you have going into the final.

To ensure that each item receives the correct weight in the final tally, I convert your score on each item to a Z score. For example, I shall take your score on a quiz, subtract the mean for the class and then divide by the standard deviation.

$$Z(x) = (x - \mu)/\sigma$$

Even perfect scores on different quizzes, memos, etc. may not receive the same Z score. A perfect score on an easy quiz (high class average) may convert to a lower score than a good score on a difficult quiz (low class average).

EVALUATION:

Your overall grade in the course will depend on relative scores not absolute scores.

☞ The median grade will depend on the size of the class

Size of class	Class median
More than 35	B-
Between 26 and 35	B
25 or fewer	B+

For a class size in excess of 35 students, I would expect to award about 25% +/- 5% As, 35% +/- 5% Bs, 40% +/- 5% Cs, and 0-5% Ds and Fs

☞ **The course will offer the Pass-Fail option.**

WRITTEN ASSIGNMENTS:

- * I expect, at the very least, that your written assignments be clean, on time, within the space budget and in hard (paper) copy. I have more detailed requirements regarding cleanliness, punctuality and the space budget below. So far as the issue of hard copy is concerned, turning in a disk with a note “I had problems printing so I turned in my disk” does not complete the assignment. I will accept faxed assignments but they must arrive on or before the due date. Under extraordinary circumstances I will accept an assignment by email, but the assignment must be a fully formatted Word document attached to your email message. If you have someone else turn your paper in for you, check with me that I got it.

I have no model of perfect work; success comes from exceeding requirements, my expectations, and the work of your classmates.

- ⌘ **Research:** Please note that research is not just about going on the Internet. Much useful material is not on the Internet, and some of the material on the Internet is not reliable. Whatever your sources, you may not plagiarize, i.e., quote verbatim without pointing out that the material is a quote, and you must cite your sources.

- * **I and the school will treat cases of plagiarism very severely. Please realize that search engines may make plagiarism from the Internet easy to detect.**

Memos:

What: The memos are mini-cases that you yourself create and solve. The memos give you an opportunity to apply the material from class to current situations that have meaning to you.

Memos should be around three to five paragraphs in length, and should focus on covering the *business* aspects and implications of the topic you covered. The key question to answer is, “As your manager, why is this important to me? What are the potential ramifications? How will it potentially impact our business?” You are not writing news reports or encyclopedia entries, but rather engaging in practical analysis from a business perspective.

When: I shall assign 11 one-page memos during the term. On Monday or Wednesday I will post the assignment on the course Webpage. Your memo will be due in class on the following Monday or Wednesday.

For the purposes of your final grade, I shall only count your six highest grades. You may drop or ignore up to five assignments.

Because you have the option to drop memos I shall not accept late memos. I expect you to use your freedom to drop assignments as a way of dealing with illness, injury, nervous breakdown, necessary travel and attendant delays, death in

the family, fire in your residence, harassing phone calls, stolen cars with notes inside, software or hardware difficulties and any other such problems.

Skipping the first five memos with plans to do the last six is a risky strategy. Students have found themselves short a memo due to miscalculations or unexpected difficulties.

How: *I expect a professional memo, not a report or case study in memo format.* I expect you to come to a decision and hence a clear and decisive recommendation. (After you have done the research, you are the expert; I would not waste your time and mine asking you to look into something to which I already know the answer.) The first line of the body of the memo should begin with the formula (or variant), "I recommend that we... ." Your opening sentence should give me the key reason why you are enthusiastic about your recommendation. Your recommendation should also be clear on the issue of "When?" That is, any time-frame or deadlines involved should be clear.

Your task is to persuade me of your recommendation. However, the issue is not just what we should do, but how we should go about doing it. If I may quote the late 5-star general, Omar Bradley, "Amateurs talk about strategy; professionals talk about logistics."

Other people's time is valuable. You must keep the length of your memos within one page *and* under 450 words of text. This word and page limitation does not include the memo headings or footnotes or endnotes. You may append tables, charts or other appendices to buttress your case. Appendices also do not count against the one-page limitation.

Clean copy is easier and more pleasant to read. I expect you to proofread your memos for typos, spelling errors, missing words, misuse of words, etc. I shall accept no more than one error per page. (Misspelling my name is an error.)

To help you understand my expectations, I have attached a copy of a general guideline (Appendix 1), a copy of an example from a different course (Appendix 2) and a copy of the grading sheet that I use for the memos (Appendix 3). Also each week I shall post a "memo of the week" on the door to my office. None of the memos that I post will necessarily be the "best" memo. The memos I choose to highlight will be good but more importantly they will be ones that I found particularly interesting for one reason or another.

Why: What you will learn from the process of doing the memos is how to take an ill-defined topic about which you know little or nothing, research it, *define the problem*, deal with it expeditiously, and go onto the next crisis. As managers you will find that you will spend much of your time figuring out what question to ask and then persuading others of your answer. Actually coming up with an answer is usually the least time-consuming part of the exercise.

☞ To get the most out of the memos try to organize them around a common theme. The theme could be a company or industry that you want to work for, an area of the world that you would like to know more about, or any other principle that makes sense to you. By organizing around a common theme you may achieve economies of scope in your research and quickly build up a stock of knowledge about your area of interest.

Short report:

What: Analyze the internationalization of a particular company that interests you. I expect you to use the paper to engage the reading. That is, I expect that your report will discuss the company in light of one to three of the readings, and use the company's history to critique the reading.

Your first draft will probably have more history and less use of the readings than I would expect on the final draft, but I do expect you to at least start on engaging one reading. The most useful readings generally come from the end of the course so you may want to read ahead rather than to force connections between your company and the readings you will have had up to then. Readings you may use include any article from a scholarly journal; you may not use any article from *The Economist* or similar general audience publications.

Your research sources must include Internet sources, but you may not limit yourself to the Internet. You must also include some print sources.

☛ **When:** The first draft is due on **3 March 2008**. I will grade it and return it to you. Your grade on the first draft will represent 7% of your final grade.

☛ The final draft is due on **28 April 2008**. I will grade it and keep it for my files. Your grade on the final draft will represent 13% of your final grade.

You may hand the first draft and the final draft in at my office or in my mail box in the Management Department office before 5 p.m. on the date due. I will deduct a half point (relative to a max score of 8 on the first draft and 18 on the final draft), for every 24 hours (including weekend days) that you are late.

☛ **How:** The short report will be a maximum of four pages or 1800 words in length, *whichever is less* (not including cover, end-notes, tables and charts in appendices, but including the executive summary). *This is your budget; stay within it.* The first draft should follow the same format as the final draft.

To save space, minimize quoting from the readings or abstracting the readings. You can assume that I am familiar with any readings that I have assigned. Rather than footnotes, cite your sources using end-notes that you number (using Arabic

numerals) consecutively in the text and that you group on a separate page *in lieu* of a bibliography.

Start the paper with an executive summary (that you label as such) of 100 words or fewer. Ideally, the summary consists of one sentence that summarizes what the paper is about, one sentence that explains why the company you chose is interesting, and one sentence that summarizes your primary finding. The summary is part of your four page/1800 word limit and should NOT be on a separate page from the rest of your report.

The paper should have an introduction and a conclusion. The introduction should include one sentence that describes the organization of the paper. Good practice includes breaking up the report with headings. The conclusion should not introduce new material.

Among your appendices you might wish to include a table that gives a timeline for your company. A good way to organize the table is with three columns: the first column gives the date, the second names or describes the event, and the third column gives the event's significance.

Please print your report with a cover sheet that includes the name of the company that you are analyzing, your name, and the course name, number and semester. Also, please include a short paragraph explaining why you chose the the company you chose. Please do not use plastic or stiff stock covers; I intend to keep your reports in a three-hole binder.

Why: The assignment will help you integrate course material in a context that is meaningful to you.

QUIZZES:

Ten times during the semester I shall administer a surprise quiz at the beginning or end of class. The quizzes:

- ❶ give you an incentive to keep up with the reading so that the lectures are meaningful to you;
- ❷ enable me to make at least part of your grade highly objective; and
- ❸ give me a way of tracking attendance without taking roll.

Each quiz will deal with one or more of the articles that I have assigned either for that class session or the previous class session, or with the previous lecture. Those readings that I refer to in the course outline in italics (see below) I have recommended but not required; therefore, they are not subject to quiz or final. On one or two occasions I will give you a choice among required readings, and the quizzes will reflect that.

Each quiz will consist of a handful of questions about main points of the articles or lectures, not minutiae. Only your top five quizzes will count.

Because I use the quizzes to take roll, if you come in late to a class session, at the end of class ask for a copy of the quiz and put your name on it. You may not take the quiz but at least I will mark you as having been present. If you leave class early and miss a quiz at the end of class I shall mark you as absent.

FINAL EXAM:

The final exam will consist of True/False and Multiple Choice questions and perhaps some small problems having to do with foreign exchange. (You may not use calculators though if you know what you are doing that should not be a problem.) The exam will focus roughly equally on the lectures and the readings. The final will include material from the entire course and will take about half an hour, +/- 15 minutes.

I will not know the date of the final exam until late in the semester. I shall notify you as soon as the School informs me.

ATTENDANCE:

I shall grade attendance not class participation.

- * As part of your attendance I expect you to visit me in my office at least once on or before **25 February 2008**.

MISSING ASSIGNMENTS:

- * Please keep an accurate count of the number of memos you have handed in and the number of quizzes you have taken. I shall not be offering make-ups or extra credit; if you are short a memo or quiz this will have a devastating effect on your grade for the course. Furthermore, doing the minimum necessary work is a risky strategy; if anything goes wrong, and often something will, you have no insurance.

COURSE OUTLINE (1)

<u>Week</u>	<u>Date</u>	<u>Topic</u>	<u>Assign.</u>	<u>Readings</u>
1	Jan 16	Introduction International Politics (1)		Appiah Skidelsky Hudgins (skim)
2	Jan 21	Martin Luther King Day	Holiday	
	Jan 23	International Politics (2)		Korhonen Huntington Mandelbaum Mead
3	Jan 28	Trade Practice – INCOTerms	Memo 1	Devlin & Yee Mattli Stockbridge (skim) Reagan (skim)
	Jan 30	Trade Practice – LCs & other		Mann Scotiabank (skim) Jung (skim), or Gordon (skim) Perry <i>et al.</i> (skim)
4	Feb 4	Trade Theory - Static	Memo 2	Rivoli Meyers & Griffith or Prince & Davies Crowson Buchanan & Yoon
	Feb 6			Weder Varian (skim) Mexican Coke (skim)
5	Feb 11	Trade Theory: Geography	Memo 3	Florida (skim) Grotewold Papazoglue <i>et al.</i>
	Feb 13	Tariffs & Quotas		Fernandez de Cordoba <i>et al.</i> Barbaro (skim) Bartlett (skim) Knowledge@wharton (skim) Read (skim) Sass & Copperman (skim)
6	Feb 18	Other policy instruments	Memo 4	Ikenson Robin & Sawyer Mork (skim) Matthews & Dunaeva (skim) Zanardi (skim)

COURSE OUTLINE (2)

<u>Week</u>	<u>Date</u>	<u>Topic</u>	<u>Assign.</u>	<u>Readings</u>
	Feb 20	Trade issues		Heltberg (intro & conclusion) Mazzanti Postrel (skim) Seibert (skim) BBC Pandey (skim) BBC Japan ivory (skim) Silvers (optional)
7	Feb 25		Memo 5	
	Feb 27	WTO		Der Spiegel - WTO BR info sheet GTN Summary Ikenson & Lighthizer Denis Canada request (skim) Anti-Smoot Hawley (skim)
8	Mar 3	Regional integration	1st Draft	Coulibaly and Fontaigne Gruben
	Mar 5	Regional blocks	Memo 6	Antkiewicz & Whalley Griswold Salvatore Tupy Klonsky & Hanson
.9	Mar 10	Spring Break		
	Mar 12	Spring Break		
10	Mar 17	Forex Basics		Dunn Sager & Taylor Forex settlement (skim)
	Mar 19	Size of the Forex market Video: Exchange Rates	Memo 7 Video	Rose
11	Mar 24	FX theory - Monetary		Grosse & Tschoegl Tschoegl
	Mar 26	FX Theory - Real	Memo 8	Humphrey Poloz Cote Steingart Keating or Abelson

COURSE OUTLINE (3)

<u>Week</u>	<u>Date</u>	<u>Topic</u>	<u>Assign.</u>	<u>Readings</u>
12	Mar 31	Balance of Payments		Makin Baker Nordin Roberts IFAD Remittances
	Apr 2	Intl. financial system	Memo 9	BIS/EABH (skim) Bernanke Meltzer Schuler Rogoff Fettig Weber Gregson Baker
13	Apr 7	Intl. capital markets		Obstfeld
	Apr 9	Financial crises	Memo 10	Mudd, Grosse, & Mathis Davidson
14	Apr 14	History of the MNC		Robinson
	Apr 16	Internationalization	Memo 11	Goldberg <i>et al.</i> Hu (MNCs) Perlmutter
15	Apr 21	Foreign Direct Investment		Brakman <i>et al.</i> Hu (advantages) Kogut
	Apr 23	Special topics		
16	Apr 28	Review	Paper	

Memorandum
Name of the company or institution

DATE

TO: Adrian E. Tschoegl. *Give me a title or rank consistent with the rest of your memo*

FROM: *Your name and the name of the group or division that you represent.*

SUBJECT: *Include a clear, definite statement of purpose. Include a verb to give a sense of direction.*

(Recommendation and conclusion) What do you want me to do and why (all in one, focused sentence)? What may happen if I (we) do or do not follow your recommendation?

(Introduction) Why is the topic important? What has preceded your memo? What definitions do we need, if any? Outline your position and the development of your material below.

(Body) Here you expand on your recommendation.

Why: Give sufficient reasons (justification) for the course of action you are recommending. You should cite evidence for your position. Use analogies, examples, statistics or quotations. If you need tables, charts, diagrams or maps, consider putting them in appendices. What could go wrong? You should also point out any major risks or potential objections and why you believe that they do not invalidate your recommendation.

What: Provide more detail on what you want me to do. Sketch out the plan.

Note: Usually, you should use one paragraph for each major issue or conclusion. Lastly, you may use transition words, phrases and sentences to improve the flow. You may also use bullet points if that improves the presentation.

Sample Memorandum
Memorandum
Savannah Cardinals (Class A Baseball)
November 21, 1994

To: Adrian E. Tschoegl, General Manager, Savannah Cardinals
From: _____, Assistant to General Manager, Savannah Cardinals
Re: Write to Robert Reich, Secretary of Labor about our batboy, Tommy McCoy

I recommend that you write to Mr. Robert Reich to explain our situation and ask him to make an exception (due to the peculiarity of the situation) in our case. By writing to the Secretary of Labor and informing him of the problem at hand, we make it more likely that we can solve resolve the situation quietly and with an outcome favorable to us. If we ignore the issue and the matter becomes public, we risk a public relations fiasco if we have to fire young Tommy McCoy.

At your request, I investigated if we had any illegal aliens working for our franchise. Fortunately, I found that we have not broken any labor laws in relation to this issue. Still, I did happen to find out that we are in violation of federal child labor laws that prohibit youngsters under sixteen years of age from working past 7 p.m. on school nights or 9 p.m. during the summer. Unfortunately, we have in our employ as a batboy, a fourteen year-old, Tommy McCoy. Firing him would tarnish our public image. Therefore, in writing to Mr. Reich, we could play on his intelligence and emotions to allow us to continue to use Tommy as our batboy. The letter should include the following points:

- the purpose of the child labor laws is to prevent children from being *overworked* and *exploited* by their employers, forcing them to neglect other duties, such as education; Tommy enjoys his job very much and, because of the unique hours, he has the opportunity to pursue other endeavors during non-work hours (especially during summer - i.e. summer camp)
- we do not require that Tommy work the nights during the school year when he has something important to do the next day at school (like taking a test);
- we have obtained his parent's consent, and also their blessing - they are pleased that their son is happy working for us and also the fact that he has an opportunity to make a little extra money being part of something he loves, an opportunity not afforded to many of us adults;
- our strong desire to remedy the situation and, if necessary, to compromise - although we would like for Tommy to work for us as much as he wants, we could request a compromise: perhaps Tommy could be allowed to work all summers games and weekend games during the school year.
- finally, we should emphasize that it is every child's dream to be a batboy, as it was probably one of Mr. Reich's.

This letter would acknowledge a minor wrongdoing. Still, it would serve as a vehicle to stop the wheels of justice from rolling over us for such a minor incident as we would, in fact, fire the boy as a last resort. It might even serve to get the law changed.

There is a possible drawback to writing to Mr. Reich. It might be totally unnecessary for us to take any action until the issue is brought up by someone else, such as a local politician or a parent. In other words, we might not want to make a move until someone else does. Nevertheless, I feel that taking the initiative is the appropriate course of action. A letter to the Secretary of Labor would show our desire to remedy the situation and it could allow Tommy to keep his job.

Name: _____

GRADING CRITERIA FOR MGMT 111 ONE-PAGE MEMOS
Fall 2007

1) Absolute criteria.

1.1) First impression

* Have you followed instructions (on length, format, etc.)? _____

1.2) Content

* Do you make meaningful use of a real company? _____

* Do you have a definite recommendation? _____

* Have you picked an appropriate problem? _____

* Have you focused on one issue? _____

* Do you have a clear plan? _____

* Is your plan free from logical inconsistencies? _____

* Have you addressed possible major criticisms? _____

* Is your paper free of obvious factual errors? _____

* Have you included appropriate research? _____

* Have you stuck to the point and avoided fluff? _____

1.3) Presentation

* Have you proofread the memo? _____

2) Relative to your classmates' work on this assignment:

* Is your memo particularly creative in its take on the topic? _____

* Is your memo particularly creative in its approach? _____

* Do you have particularly noteworthy supporting material? _____

* Is your memo particularly well-written? _____

RESUME**Adrian Edward Tschoegl****EDUCATION:**

- 1976-1980 Ph.D., Sloan School of Management (M.I.T.), Intl. Bus. & Fin.
- 1972-1974 M.P.A., UCLA. Major in Intl. Devel.
- 1965-1969 B.A. (cum laude), UCLA. Major in Poli. Sci. & Cert. in Afr.Stud.

EXPERIENCE:

- 2005-Date Wharton School: Lecturer and Management Dept. Undergraduate Advisor
- 2002-2005 Wharton School: Adjunct Assoc. Prof. of Mgmt.
- 2001-2002 College of Business and Economics, Univ. of Delaware: Visiting Asst. Prof. of Finance.
- 1993-2001 Wharton School: Asst. Prof. of Mgmt. (Visiting 1993-94).
- 1987-1993 SBCI Securities (Asia) Ltd., Tokyo: Chief Economist; also de facto Head of Research (8/89-10/91).
- 1980-1987 University of Michigan: Asst. Prof. of Intl. Bus.
- 1976-1980 M.I.T., Sloan School & Center for Policy Alternatives: Res. Asst.
- 1976 Security Pacific National Bank, Intl. Div., Los Angeles: Supervisor.
- 1974-1975 T.S. Kollerich & Cie., S.A.: Fin. and Intl Trading in London, Lausanne, and Dubai.
- 1969-1972 U.S. Army, Infantry: Lieutenant.

LANGUAGES:

French and German; some knowledge of Latin, Swahili, Vietnamese and Japanese.