

MGMT 198

Managing Disruptive Change: *Cryptocurrencies* Q2 Fall 2019

Faculty Director: Mauro Guillen, Ph. D.

Guest Lecturer(s): See Course Schedule

Program Introduction:

The half-credit (0.5 CU) Managing Disruptive Change (MDC) lecture series exposes students to particular industries, ideas, or issues through collaborative partnerships between Wharton faculty and high-profile guest lecturers. It is an initiative of the Wharton Dean's Undergraduate Advisory Board (WAB) to provide students with long-term engagement to high-profile Wharton faculty and guest lecturers. Each year, the program will work to bring together academic and industry professionals to teach a current, thought-provoking topic in business. While educating students on current-topics, the MDC program also aims to provide a framework for understanding other issues by connecting theory to practice.

Course Objectives:

In the 2019-2020 academic year, MDC presents "Managing Disruptive Change: Cryptocurrencies." This investigative course will introduce students to the history, business, and theory of cryptocurrencies via a weekly rotating professor/practitioner structure. The goals of this program are to:

- Provide students with a framework for analyzing current topics in business by connecting different aspects of academia to business practice.
- Help students contextualize cryptocurrency into a greater academic and practical framework.
- Enable students to learn from the teachings of industry experts and take those lessons with them into their academic and professional lives.

Course Format:

- 0.5 Course Units
 - Allow students the flexibility to incorporate into academic planning.
 - Considered an elective for WUGR graduation requirements
- 7 Weeks in Q2 of Fall 2019
- 180-Minute Lectures
- ~120 Students in SHDH 351

Grading:

Grades will be based on class attendance and participation (30%) as recorded using a **digital clicker** & maintaining pace with assigned readings, multiple-choice quizzes (30%), and a final paper (40%) analyzing a specific topic within the course. The final paper will have a 2000 words minimum.

- Participation will be evaluated based on both attendance and the use of digital clickers for interactive elements of the course material.
- Quizzes will be multiple-choice and related to both lecture content and assigned readings.
 - Students will submit quiz responses through a Canvas portal at the conclusion of each lecture, after discussion with other students / TAs.
- Final papers will be graded peer-to-peer to promote student interaction and discussion of course materials.

This class will not be graded on a curve and students may not take the course Pass / Fail.

*For students taking the class for a letter grade, grades will be given according to the following structure.

Letter grade	Percentage	Letter grade	Percentage
A+	97–100%	C	73–76.99%
A	93–96.99%	C–	70–72.99%
A–	90–92.99%	D+	67–69.99%
B+	87–89.99%	D	63–66.99%
B	83–86.99%	D–	60–62.99%
B–	80–82.99%	F	< 60%
C+	77–79.99%		

Final Project:

The final project will consist of a 2000 word paper written by a group of 4-5 students on a topic inspired by the course material. Topics are subject to approval by the TA or course instructors and should be an extension of an individual lecture topic.

You will choose a group, and each group will have a chance to express their preferences before being assigned to one of the topics from the curriculum below. For your topic, you will identify an argument which you will investigate through a combination of academic sources, popular press materials, and interviews with practitioners. Your group will produce a report which describes your thesis and approach to the topic, how this comports with academic/popular press findings, and how this topic applies or extends to the world today.

Examples of topics could include, but are not limited to:

- The crash of the Mt. Gox bitcoin exchange in 2011.
- Technology / innovation companies utilizing cryptocurrencies (Ripple, Coinbase, Circle)
- Central Bank investigations into government-issued digital currencies (Sweden, Uruguay)
- Analysis of laws and regulations pertaining to cryptocurrencies

There will be 20 groups of five, formed by Canvas signup by “Class 2” on the schedule below. To address your question, you will locate a minimum of ten other research articles and, for each, provide a one-paragraph summary of how the article lends insight. You will supplement this research by interviewing at least one practitioner whose expertise aids your inquiry. Be sure to explain why this informant was chosen. Additionally, amassing other data to inform your question can enrich your findings. Each group will produce a 2,000-word paper (not including figures, tables, and references) by “Class 5” on the schedule below.

Class Structure:

Each course will consist of a faculty introduction the topic, an industry-expert lecture to provide in-depth analysis of the module, and a discussion period to answer student questions. To provide an example, class #1 may proceed in the following format:

Note: Affiliated Wharton faculty and guest lecturers are to-be-confirmed.

- 4:30 -5:15 PM (~45 minutes)
 - For example, Professor Kevin Werbach of the Legal Studies & Business Ethics Department delivers an introduction to the sub-topic, context on the guest lecturer, and information on relevant theoretical concepts from his own research.
- 5:15 PM - 6:00 PM (~45 minutes)
 - For example, Emil Woods, Founding Partner of Liberty City Ventures Blockchain Fund, provides insight into the relevance of assigned readings to the industry perspective of cryptocurrencies. With a combination of personal experiences, private sector best practices, and advice for future careers, he provides students with the “applied” perspective on cryptocurrencies.
- 6:15 - 7:00 PM (~45 minutes)
 - Student Question-and-Answer period whereby they may ask for additional detail on relevant reading topics or areas of interest from the lecture.
- 7:00 PM - 7:20 PM (~20 minutes)
 - Multiple-choice quiz taken and submitted through Canvas.

Faculty - Practitioner Dinner:

In the effort of increasing student access to the leading thinkers and shakers in the cryptocurrency arena, each class will be followed by a small dinner (8 individuals including students, faculty, and the guest-lecturer). Selection to attend the paid for dinner will be based on the evident thought and effort put into answering the optional “Why do you want to attend the coming dinner?” question included in the weeks preparation materials (evaluated by the PhD TAs).

Course Materials:

- Textbook: “Digital Gold: Bitcoin and the Inside Story of the Misfits and Millionaires Trying to Reinvent Money” by Nathaniel Popper
- Required Readings: To be provided online and confirmed with speakers.

Tentative Program:

EXAMPLE CLASS DATES: Thursday, September 12th, 2019 through October 24th, 2019

**Note: Dates are subject to change dependent on profesor and practitioner availability*

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Class # & Topic
<p>Class 1: The State of Cryptocurrencies</p> <p><i>Academic Topic:</i> Background on the important developments in the field of cryptocurrency that have given rise to the current the topic as it stands today.</p> <p><i>Speaker Application:</i> Explore how the rise of cryptocurrencies are disrupting industry today/playing a part in shaping the future of industry.</p> <p><i>Readings:</i> TBD</p>
<p>Class 2: Security on the Blockchain</p> <p><i>Academic Topic:</i> Overview of the technical side of cryptocurrencies/blockchain with the goal of exploring the idea of the architecture of trust.</p> <p><i>Speaker Application:</i> Explore how industry evaluates the security of cryptocurrencies/blockchain and how that is relevant to its practical applications in industry.</p> <p><i>Readings:</i> TBD</p>
<p>Class 3: Cryptocurrencies and Capital Markets</p> <p><i>Academic Topic:</i> Overview of capital markets (equity and debt) with an emphasis on how cryptocurrencies differ as an asset class. Explanation of cryptocurrency trading markets including how cryptocurrencies raise funds through Initial Coin Offerings, international trade and peer-to-peer markets.</p> <p><i>Speaker Application:</i> Linking the workings of existent capital markets with the disruption of cryptocurrencies. How does crypto lead to changes in several markets and what are the repercussions for the broader economy?</p> <p><i>Readings:</i> TBD</p>
<p>Class 4: Building Innovative Crypto Companies and Products</p> <p><i>Academic Topic:</i> Build an understanding of how to develop new products on a new platform, manage disruptive change and create internal support for innovation. How to get people to buy in to new</p>

technology or product? How do you integrate into a new cryptocurrency offering into a core business model?

Speaker Application: Lessons on developing successful offerings on a cryptocurrency platform. A broad perspective on managing the people, product and brand aspects of a cryptocurrency business.

Readings: TBD

Class 5: Incentive Structures, The Power of the Blockchain from the context of Organizational Behavior

Academic Topic: How do incentives drive human behavior? How do we make decisions in large organizations or groups of people? Exploring how to align incentives and create win-win environments.

Speaker Application: How Blockchain aligns incentives to promote effective and secure transactions. The power of a decentralized network. Instances of the Blockchain aligning incentives in practice.

Readings: TBD

Class 6: Central Bank & Government Regulation

Academic Topic: Overview of how the world and U.S. specifically handles the financial regulation of new technology. Explore how central banking and monetary policy will be affected by the growth of cryptocurrency and other blockchain use cases.

Speaker Application: Present day government and regulatory action on cryptocurrency and blockchain. One perspective on how the central bank views cryptocurrency and blockchain.

Readings: TBD

Class 7: Value Investing / Institutional Trading

Academic Topic: Introduction to portfolio construction, valuation of digital assets, and the infrastructure surrounding institutional trading. Explanation of the existing firms engaging in crypto-investing and the academic theory behind investing in risky assets.

Speaker Application: Real world example of a firm engaged in institutional trading of cryptocurrencies, with a focus on current-day applications. Help students to understand the best way to generate returns in this field, what types of careers are available for those that want to trade cryptocurrencies, and the relative advantages of an institutional approach over a personal portfolio.

Readings: TBD