

# Bachelor Programmes Advanced Study Phase

2011 Cohort

## Overview

The advanced study phase takes place after the semester(s) abroad during the 6th and 7th semesters. Students of "Intensive Track", a 6-semester intensive programme, take some advanced modules already during the 3rd and 4th semesters.

The advanced studies have a total of 60 ECTS credit points, consisting of a Bachelor thesis (12 ECTS) and eight modules with 6 ECTS each. Each module has 44 hours of in-class teaching. The default teaching language is English. The modules are structured in four thematic areas. In addition, there are three specialized tracks for the programmes "Wirtschaftsinformatik", "Management, Philosophy & Economics" and "Wirtschaftsprüfung".

## ■ Management, Philosophy & Economics:

Specialized track (2 modules per semester), 4 modules chosen from at least two thematic areas.

## ■ Wirtschaftsprüfung: Specialized track (2 modules per semester), 4 modules chosen from at least two thematic areas.

## Information about the modules

For each module there is a short description including a reference to the assessment criteria. In addition, some module coordinators have recorded brief video statements explaining the content and the structure of their modules. These videos will be made available online.

This should help you identify the topics that you are particularly interested in. However, please note that all

Thematic Areas				Specialized Tracks		
Finance and Banking (Fin)	Managing Organizations (Mgt)	Economics (Eco)	Business and Society (Soc)	Wirtschaftsinformatik	Wirtschaftsprüfung	Management, Philosophy & Economics

## General selection requirements

The recommended course load is five modules in the 6th and three modules in the 7th semester to allow enough time to write the thesis.

Students of "Business Administration" take two modules each in the 3rd and 4th semesters and four modules in the 6th semester.

## Requirements by programme

- **BWL dual:** 8 modules. At least one module from each of the four thematic areas.
- **Intensive Track:** 8 modules. At least one module from each of the four thematic areas.
- **Internationale BWL:** 8 modules. At least one module from each of the four thematic areas.
- **Wirtschaftsinformatik:** Specialized track (2 modules per semester), 4 modules chosen from at least two thematic areas.

information is subject to change and only the full module description distributed at the start of the semester is actually binding.

## The selection process

The selection process will include two steps. First, we will ask you to indicate your preferred modules in a non-binding online survey (July). Participation is voluntary but it is in your own interest to give us a proper indication of your preferences, as the results will determine which modules will be offered, how many times and in which time slots. In September you will make your final course selection through an online form.

## Thesis

Students have two months to complete the thesis and can choose one of six starting dates: 1 July, 15 August, 15 September, 15 October, 15 November, and 15 December. Students of the "Intensive Track" start their thesis on 15 May or 1 July.

Finance and Banking	Managing Organizations	Economics
<p>Summer term</p> <ul style="list-style-type: none"> <li>■ Accounting and Capital Markets (Werner)</li> <li>■ Advanced Business Modeling Using Spreadsheets (Roßbach)</li> <li>■ Econometrics (Vecer)</li> <li>■ Retail Banking (Georgi)</li> <li>■ Trading and Sales (Kassberger)</li> </ul> <p>Winter term</p> <ul style="list-style-type: none"> <li>■ Asset Management (Stotz)</li> <li>■ Environmental Economics and Energy Finance (Moslener)</li> <li>■ Risk Management (Hellmich)</li> </ul>	<p>Summer term</p> <ul style="list-style-type: none"> <li>■ Innovation Management (Müller)</li> <li>■ Live Long and Prosper: Organizational and Human Resource Development (Barthel/Bechtoldt)</li> <li>■ Marketing Strategy and Analytics (Georgi/Schulze)</li> <li>■ Operations Modeling (Sibbel/Strohhecker)</li> <li>■ Services Marketing (Georgi)</li> </ul> <p>Winter term</p> <ul style="list-style-type: none"> <li>■ Accounting (NN)</li> <li>■ Business Strategy (Stieglitz)</li> <li>■ Digital Marketing (Schulze)</li> <li>■ Entrepreneurship (Müller)</li> <li>■ Hire and Avoid Fire: Methods of Personnel Selection and Career Development (Barthel/Bechtoldt)</li> <li>■ Operations Project Field Study (Sibbel/Strohhecker) *</li> </ul>	<p>Summer term</p> <ul style="list-style-type: none"> <li>■ Challenges of the World Economy (Löchel)</li> <li>■ China and the World Economy (Herrmann-Pillath/Löchel)</li> <li>■ Incentives (Feess)</li> <li>■ International Trade and Economic Integration (P.G. Schmidt)</li> <li>■ Monetary Theory and Policy (P.G. Schmidt)</li> <li>■ Public Economics and Political</li> </ul> <p>Winter term</p> <ul style="list-style-type: none"> <li>■ Applied Business and Economic Forecasting (Rudolph)</li> <li>■ Government Borrowing and Sovereign Debt Crisis (P.G. Schmidt)</li> <li>■ International Monetary Relations and Currency Crises (P.G. Schmidt)</li> <li>■ Seminal Articles in Economics and Finance (Winkler)</li> </ul>

\* You can only choose this module if you have previously completed the "Operations Modeling" module in the summer term.



## Business and Society

### Summer term

- Business Diplomacy (Catón)
- Corporate Sustainability (Kneip)
- International and European Corporate Law (Redenius-Hövermann)
- International Healthcare Business (Gandjour/Sibbel)

### Winter term

- International Organizations (Herrmann-Pillath)
- Leadership and Ethics in Global Business (Barthel)
- The Political Economy of the European Economic and Monetary Union (Löchel)

## Wirtschaftsinformatik

### Summer term

- Business Intelligence (Goeken/Roßbach)
- Konzeptionelle Modellierung (Goeken)

### Winter term

- Electronic Business and IT Security (Roßbach)

## Wirtschaftsprüfung

### Summer term

- Accounting and Capital Markets (Werner) (also part of Mgt area)
- Prüfungspraxis 1 (Werner)

### Winter term

- Accounting (NN) (also part of Mgt area)
- Prüfungspraxis 2 (Werner)

## Management, Philosophy & Economics

### Summer term

- Freiheit und Demokratie (Lahno)
- Philosophie und Ökonomie interdisziplinär (Lahno)

### Winter term

- Angewandte Ethik (Lahno)
- Intentionalität und Handlung

## Accounting and Capital Markets

Prof. Dr. Jörg R. Werner

Accounting is one of the rare sources of company-specific financial information publicly available to external stakeholders such as debt and equity investors. International standard setters such as the IASB therefore increasingly focus on the decision usefulness of accounting information for these groups of users. The rise of fair value accounting, increased disclosure requirements and strengthened enforcement mechanisms are notable outcomes of this development. But there are also many concerns: Did current accounting rules and practices contribute to the emergence of market bubbles and the recent financial crisis? Do we need more conservative financial reporting? Does the current one size fits it all approach still make sense – or do we rather need industry-specific accounting standards?

To allow students to answer these and other questions, this module aims at introducing the theoretical foundations of how and why market participants react to the disclosure of financial accounting information, including brief discussions of accounting-based valuation and the issue of accounting “quality”. Moreover, the role of auditors and other enforcement mechanisms for financial markets is illustrated. The module also covers in-depth discussions of current technical topics such as accounting for financial instruments, insurance contracts, employee benefits, investment property and latent taxes. The module will provide students with relevant theoretical and practical knowledge for careers in accounting, auditing or financial analysis. Class sessions will combine traditional and interactive lectures with exercises, case studies and group projects.

**Assessment:** Written exam, group project, active participation.

## Advanced Business Modeling Using Spreadsheets

Prof. Dr. Peter Roßbach

In today’s business many managerial decisions are based on decision models applying highly sophisticated algorithms. For the implementation of such models software tools are needed. One class of those tools are spreadsheet programs, like Microsoft Excel, which provide the necessary functions and flexibility for the developer and user in one person.

The purpose of this module is to develop professional skills for the design and implementation of ambitious business and finance models using spreadsheets and programming techniques. The objective is to understand the models from conceptual and computational perspectives and to translate them into Microsoft Excel/VBA applications. For this, both the models and the manifold techniques for developing spreadsheet applications are subject of the lectures.

The topics of this module will mainly cover the following areas:

- Valuation; for example value-at-risk and valuation of securities and derivatives
- Optimization; for example cash-flow optimization, portfolio optimization, and heuristic optimization
- Simulation; e.g. Monte Carlo and what-if analysis
- Forecasting and Prediction; e.g. GARCH modeling and turnover forecasting

Accompanying the content-related modeling, specific spreadsheet techniques, like the usage of matrix functions, pivot functions, the solver, and building graphical user interfaces, are also subject of the lectures. Teaching and learning activities will include lectures, in-class exercises, and home exercises.

**Assessment:** Assignments in form of spreadsheet applications developed during the course.

## Asset Management

Prof. Dr. Olaf Stotz

Asset management will be discussed from the perspective of capital markets and investors. An asset manager has to combine the goals of an investor and the risk and return properties of capital markets. Students will learn how to optimally combine those three elements – capital market conditions, investor's goals and resulting optimal portfolios. Theoretical models and empirical observations help to understand how to trade of capital market conditions and investors goals.

During the module students will manage a portfolio on a real time basis and present their performance and investment approach at the end of the module. The portfolio will be managed in cooperation with an investment company that might issue a security with a proper identification number ("Wertpapierkennnummer") so that the students' portfolios can be bought by outside investors on the stock exchange).

Main topics:

- Introduction to theoretical models and empirical observations of capital markets
- Models to optimally trade based on investor goals and capital market conditions
- Real time management of a portfolio in order to implement theoretical issues
- Presentation of portfolio results and investment approaches.

**Assessment:** Presentation, term paper.

*Because of the cooperation with an investment company parts of the module will be held in German.*

## Econometrics

Prof. Dr. Jan Vecer

This module will cover intermediary and advanced econometrics including:

Review of probability and statistics:

- Probability distributions (both discrete and continuous)
- Expectation, variance and covariance
- Law of large numbers
- Central limit theorem
- Statistical estimation, confidence intervals

Classical linear regression models (both simple and multiple regression):

- Properties of the ordinary least squares estimator
- T-test,
- F-test

Diagnostic tests for linear regression:

- Non-linearity tests
- Ramsey's RESET
- Heteroscedasticity tests
- Stability of parameters
- Normality of residual
- Durbin-Watson: autocorrelation of residuals
- Multicollinearity
- Principal components

Time series modeling and forecasting:

- Moving average processes
- Autoregressive processes
- Forecasting
- Vector autoregressive models

Volatility and correlation:

- GARCH models

Limited dependent variable models:

- Logit
- Probit

**Assessment:** Two assigned individual projects.

## Environmental Economics and Energy Finance

Prof. Dr. Ulf Moslener

Energy and Climate Change are high on the agenda of most governments across the world. The structural change of the global energy system is already under way with annual investment in power generation based on renewables at almost the same level as investment in power based on fossil fuels like coal and gas.

This course essentially provides two perspectives towards this issue: First, we discuss why markets alone are fundamentally not able to trigger investment in a way that environmental issues are appropriately taken into account. We then analyse policy instruments that can correct these so-called "market failures" and which are frequently applied by governments.

The second part of the course will then take the perspective of an investor who is confronted with policy and regulation and often additional investment subsidies specifically directed towards promoting renewable energy.

We discuss characteristics that fundamentally distinguish the power and power infrastructure market from the market for many other assets and look at applied examples of instruments of investment support as well as investment cases. Topics include:

- Economic fundamentals such as social optimum, public goods, market failure, market based instruments
- Primers in (i) climate change & climate policy; (ii) energy markets & energy policy
- Financing instruments, role of public finance institutions, project finance examples

Teaching will be mainly based on interactive lectures and the discussion of cases.

**Assessment:** Presentation, written exam.

## Retail Banking

Prof. Dr. Dominik Georgi

In Retail Banking markets, banks are encountering specific challenges, for example due to the increasing competition, the need for customer-employee interactions and at the same time need for cost cutting and efficiency. The module presents strategic and operational management concepts that are employed by Retail Banking providers to be successful in the market, such as Business Modelling, Sales and Advice, Managing Customer Processes, Customer Segmentation, Product Innovations, Online Banking, Multi Channel Management, Social Media Banking.

The contents are presented in class applied in many exercises and case studies. Moreover, students are participating in a group work regarding a business question in Retail Banking.

**Assessment:** Written exam, group presentation.

## Risk Management

Prof. Dr. Martin Hellmich

Financial markets are becoming ever more complex. The persistent crisis of the global financial system results in an increased need for experts and leaders to manage financial risks in a professional way. In this module students will develop deep understanding of the most important dimensions of risk and learn about advanced concepts how to measure and manage different type of risk. Topics covered will include:

- Risk management objectives
- Bank capital, risk management and regulation
- Risk factors and risk mapping
- Risk measures and Value-at-Risk
- Computing Value-at-Risk
- Credit Risk and Credit Value-at-Risk
- Risk capital calculation
- Liquidity definitions and dimensions
- Liquidity Risk in banking supervision
- Funding
- Leverage and Leverage Ratios
- Advanced risk measures

- Capital allocation
- Modelling dependence
- New Regulation Frameworks for banks and financial markets infrastructure: An overview (Basel III, MIFID II, EMIR, MIFIR)
- Risk Management : The microprudential approach
- Risk Management: The macroprudential approach

**Assessment:** To be determined.

## Trading and Sales

Prof. Dr. Stefan Kassberger

In this module students will develop a broad knowledge and understanding of financial products, financial markets, trading and investment strategies, risk management and regulatory aspects. Students will be able to price, hedge and risk manage financial products, and to access market data via Bloomberg. Topics covered will include:

- Fundamental and technical analysis of stocks
- FX derivatives
- Interest rate derivatives
- Equity derivatives and certificates
- Credit derivatives (CDSs, CDOs, basket credit derivatives)
- Market and credit risk management
- Mutual funds and performance measurement
- Exchange traded products (ETFs, ETCs, ETNs)
- Commodities and commodity derivatives
- Hedge funds, hedge fund strategies
- Behavioral finance
- Basel III
- Value investing
- Islamic finance
- Algorithmic trading, high frequency trading
- Private equity
- Introduction to Bloomberg

**Assessment:** Student presentation, seminar thesis, oral exam.

## Accounting

NN

## Business Strategy

Prof. Dr. Nils Stieglitz

The module draws on the content of "Corporate Design and Behavior". It deepens and extends the analysis of companies and markets. Business strategy is mainly about how a firm competes in a given industry. In the module, students discuss how firms gain, sustain, and lose competitive advantages. Students learn how to diagnose strategic problems, develop a guiding policy, and the fundamentals of successful execution. Topics include industry dynamics and analysis, resource analysis, strategic innovations, and organizational evolution and adaptation. The module heavily relies on the interactive analysis, presentation, and discussion of business cases.

**Assessment:** Presentation, class participation, term paper.

## Digital Marketing

Prof. Dr. Christian Schulze

Digital marketing expenditures are growing at tremendous rates every year and have far surpassed radio, print and magazine advertising in terms of marketing spending. New technological trends such as digital newspapers and IP-based television will further increase the importance of digital marketing in the future.

What distinguishes digital marketing from other, more traditional marketing approaches are its measurability on the one hand and the ability to identify and target individual consumers on the other. As a result, success in digital marketing strongly depends on managers' analytical ability and profound understanding of both, the business and the technology aspects.

The goal of this module is to introduce students to the major and emerging digital marketing instruments. In particular, we will discuss topics such as

- Digital marketing metrics and revenue models
- Internet technology
- User tracking and Analytics

- (Re-)Targeting
- Real-Time Bidding (RTB)
- Display advertising
- Search Engine Advertising (SEA)
- Search Engine Optimization (SEO)
- Affiliate marketing
- Social media marketing
- Viral marketing and Social Network Analysis (SNA)
- Mobile marketing

This module will provide students with relevant and practical knowledge for their future career. For students who are either interested in working in marketing or building an internet-related startup, this module will prepare them for a job in an exciting field with many opportunities for a great career after graduation.

Class sessions will include traditional lectures and exercises, as well as case studies and group projects to give students a practical, hands-on experience.

**Assessment:** Exam, class participation, group project.

## Entrepreneurship

Prof. Dr. Elisabeth Müller

The module is an introduction to entrepreneurship. Our economy relies on entrepreneurs for the introduction of new products, the creation of jobs and for keeping competition up. However, entrepreneurs also face a high probability of failure. The students learn to understand all phases in the life of a firm: from start-up, over rapid growth to the exit of the founders. Specifically, the course covers characteristics of entrepreneurs, evaluation of a business opportunity, managing growth, raising of external financial resources, managing crises, and exit strategies for founders.

The module covers the following topics:

- Generating and evaluating business ideas
- Writing a business plan
- The entrepreneurial team
- Financing entrepreneurial ventures (business angels, venture capital, bank loans)
- Business models and strategies
- Management of rapid growth, crises, and recovery
- Exit of the founders



Students will develop and present their own business plan in this module. It can be either for a fictitious business, a business the students intend to start, or for a business someone else intends to start.

**Assessment:** Presentation, written business plan.

### Hire and Avoid Fire – Methods of Personnel Selection and Career Development

Prof. Dr. Erich Barthel / Prof. Dr. Myriam Bechtoldt

When asked what individual characteristics they consider most important when selecting job candidates, more than 90% of HR people ranked “personality” number one, while only 30% considered grades most crucial (Wirtschaftswoche, April 2013).

But how to measure “personality” in personnel selection given that job candidates can easily fake their responses in personality questionnaires to make a good impression? How to select the best job candidates? And once hired, how to make sure that employees continuously learn and develop their skills throughout their career? What do we know about training, coaching and mentoring and how effective are they?

In the first part of the module, students will acquire factual knowledge regarding various methods in personnel selection and human resource development. In the second part, they will develop their practical expertise: In cooperation with companies, they will design trainings to address real-world needs of organizations and present their concepts to these clients.

Teaching format consists of introductory lectures, field excursions and student presentations.

**Assessment:** Team presentation and active participation.

### Innovation Management

Prof. Dr. Elisabeth Müller

In today’s rapidly changing business environment, firms can only survive if they regularly develop new products and introduce them successfully in the market. The module covers all aspects that are relevant for firms in order to profit from innovation: development of the strategic direction for the firm, formulation of an innovation strategy, managing the new product development process, and the use of intellectual property rights, such as patents and trademarks.

The goal of the module is to introduce the students to the basic concepts of innovation management. Specifically, we will cover the following topics:

- Types and patterns of innovation
- Timing of entry (first-mover advantages)
- Formulating an innovation strategy
- Choosing innovation projects
- Collaboration strategies
- Innovations with patents and other rights
- Organizational structures conducive to innovation
- Managing the new product development process

In-class teaching will be mainly based on interactive lectures and the discussion of case studies.

**Assessment:** Exam.

### Live long and prosper: Organizational and Human Resource Development

Prof. Dr. Erich Barthel / Prof. Dr. Myriam Bechtoldt

Organizational and Human Resource Development influence each other. In the first part we will show how organizational structures and culture affect the abilities of organizations to be efficient in delivering expected outcomes and in exploring new opportunities for business. With a focus on culture we will discuss the role of sense making and creating purpose in high performance organizations and the ongoing demands of change. In the second part we will work deeper on specific consequences for individuals.

Since the early 1990s, sick leaves due to work-related strain have continuously been on the rise. While the number of sick leaves due to physical impairments (musculoskeletal, respiratory, cardiovascular) remained constant, strain-related diseases (“burnout”) have nearly doubled. How to combat this development? What measures do organizations need to take? What measures can employees take? What are the characteristics of “healthy” jobs? Students will acquire expertise on work-related health management and reflect their own stress management techniques.

Teaching format consists of lectures, student presentations and interactive case study discussions in class.

**Assessment:** Presentation and active participation.

### Marketing Strategy and Analytics

Prof. Dr. Dominik Georgi / Prof. Dr. Christian Schulze

“The purpose of business is to create and keep a customer.” – Peter Drucker (1954)

The financial success of a company depends on its ability to acquire and retain profitable customers—to develop a successful marketing strategy, however, is not a simple task. This module serves at least three goals:

First, students will learn about new tools to help them understand and analyze the marketing strategies of successful (and unsuccessful) companies.

Second, students will apply the underlying analytical concepts and learn, for example, how to identify the needs of potential customers, and how to analyze the drivers of customer behavior.

Third, students will discover how marketing drives companies’ financial success and ultimately shareholder value.

This module is a cornerstone of business administration. Non-Marketing students should take this module to learn about strategy and customer orientation. They will gain important insights that will help them in their future career, even if they will never work in a Marketing function. For students with a focus on Marketing, this module provides them with a broad range of important tools and introduces them to marketing problems in a variety of settings.

Class sessions will rely heavily on case studies to complement traditional lectures and exercises. Group projects will give students a practical, hands-on experience.

**Assessment:** Exam, class participation, group project.

### Operations Modeling

Prof. Dr. Rainer Sibbel / Prof. Dr. Jürgen Strohhecker

In this module students will learn a variety of (mostly quantitative) modeling techniques and management methods to solve operations management challenges. These challenges are drawn from various Operations Management areas including process design, supply chain management, scheduling, supply and demand planning, and project management.

Students will learn how to develop models, analyze and provide data, solve models, conduct optimization and sensitivity analyses and interpret and communicate results. Both general software packages (for example Microsoft Excel) and specific simulation software (for example Arena) are used.

By successfully passing this module participants will have the knowledge and tools at hand to conduct Operations Management consulting projects, specifically (discrete event) simulation studies.

Teaching format consists of interactive lectures, workshop-style lectures, self-study elements, exercises, modeling challenges and small-scale projects.

**Assessments:** Modeling exercise, short presentations, homework, written exam.

### Operations Project Field Study

Prof. Dr. Rainer Sibbel / Prof. Dr. Jürgen Strohhecker

This module provides a field- and classroom-based experience in simulation based analysis and project management. At the conclusion of the module, students will have applied and demonstrated working knowledge, techniques and practices learned in Operations Manage-

ment specifically (but also in IT, stochastics, organizational behavior, leadership, and other disciplines).

The cornerstone for the coursework is the Team Consulting Project, an approximately three month project in which groups of four to six students work with a local company to address process and/or capacity management challenges.

The field study is seen as a transition point for the students – from education to professional practice. This course creates the space to develop, integrate, apply, and deepen Operations Management modelling, simulation, project management and consulting skills.

Class sessions in this course will include field excursions, workshops, coaching sessions and student presentations.

**Assessment:** Milestone presentations, management presentation of project results, technical documentation of model and data, discrete event simulation model.

*This module requires the successful prior completion of the module "Operations Modellig". The language of this course is German, as students will work closely with companies in a German-speaking environment.*

## Services Marketing

Prof. Dr. Georgi

Banks and other service companies face certain challenges in their marketing and operations which are caused by the specific characteristics of service delivery and marketing and thus service cooperations, such as the customer' integration in service production, and the intangible nature of services.

Therefore, Services Marketing has developed as an own field in the marketing discipline, and a lot of concepts and tools have been developed throughout the last 20 years and still are. Knowledge and expertise regarding these concepts and tools are the basis for a successful management and marketing in service organizations – especially

because there often is a lack of awareness regarding basic service principles in many service organizations.

The objective of this course is to introduce students to the concepts and tools of services marketing, which represent a mix of conceptual and quantitative approaches, such as:

- Understanding service characteristics (customer integration, intangibility, etc.)
- Customer behavior in service environments
- Developing service concepts
- Service delivery and distribution
- Service pricing
- Managing the customer interface
- Measuring and managing service quality
- Service recovery: Preventing and reacting on service failures
- Customer relationship management in services
- Managing demand and capacity
- Analyzing service productivity
- The successful service organization

**Assessment:** Exam, class participation, group project.

## Applied Business and Economic Forecasting

Dr. Dirk Rudolph

Forecasting is one of the most practical and useful applications of quantitative methods in business. Without well-informed forecasts, decision makers will often time make choices that turn out to have undesired consequences. This is where young graduates, who enjoy designing applicable forecasting models can make a real contribution to improve business decision making.

The objectives of this module are (a) to give students an introduction to forecasting applications in areas like production planning, optimal inventory control, sales forecasting for established products as well as product innovations and statistical arbitrage trading, and (b) to demonstrate the high economic value of improved forecasts.

The emphasis of the module is on explaining the meaning and interpretation of key concepts and methods, and the perspective taken is that of a real life decision maker. The module will make use of open source learning resources including software and publicly available data. It exclusively relies on case studies that only use real life data.

Furthermore, the module will also teach the use of data bases like Datastream, Bankscope and AMADEUS and the practical use of research tools.

For students who consider a career in industries like banking, business consulting, energy, fashion, food, logistics, personnel services, private equity, real estate, or tourism this course can lay the foundation for a more advanced bachelor thesis, which will give them a competitive advantages in job markets for business analysts, business development managers, market researchers, and risk managers.

**Assessment:** Homeworks, class presentation of literature and a final paper.

## Challenges of the World Economy

Prof. Dr. Horst Löchel

The module analyses short and long-term challenges of the world economy and discusses possible solutions outlined in the World Economic Outlook and the Global Financial Stability Report published by the International Monetary Fund (IMF). Both reports analyse the current features of the world economy and the global financial markets respectively.

A special focus is given to the analysis of the following areas: (i) the world business cycle, (ii) the sovereign debt crisis in advanced economies, (iii) the imbalances between advanced and emerging economies, (iv) the issues of financial stability and the changing business model of banks, and (v) the future of the global currency system.

The second pillar of the module is the discussion of respective macroeconomic policy actions, which can be basically divided in (i) fiscal and monetary policy, (ii) demand and supply side driven actions, and (iii) Monetarism vs. Keynesianism.

**Assessment:** Presentations, papers, essay at the end of the course.

## China and the World Economy

Prof. Dr. Carsten Herrmann-Pillath / Prof. Dr. Horst Löchel

China is the emerging economic superpower of the 21st century. The country is already the pivotal market for many industries such as automotive and renewable energies and exerts a strong impact on global macroeconomics. Slowly China also strives to obtain a stronger voice in the shaping of global economic institutions. At the same time, however, China is facing several serious challenges, such as in reconciling ecology and growth or preparing for the rapid demographic changes in the coming decades.

After three decades of continuous reforms, China still keeps many legacies of socialism, for example in the financial markets. The financial sector provides the lense through which the nature of the Chinese economic system is explored in more detail.

The module offers a comprehensive overview of China's growth and development over the long run, with a focus on the reform period, and analyzes current challenges and future outlooks with special focus on the financial sector.

Today, analyzing China is a core competence for decision makers in business, finance and politics. A thorough understanding of the economics needs to be matched with basic knowledge of history, culture and society.

**Assessment:** Two team presentations of topic, final essay on debate, individual participation.

## Government Borrowing and Sovereign Debt Crises

Prof. Dr. Paul G. Schmidt

The main topics of this module include:

- Public Revenue, Expenditure, Net Borrowing Requirement, and Public Debt
- Public Finance and Monetary Policy
- Public Debt Management
- Causes of Sovereign Debt Problems, Restructurings, and Defaults
- Assessing the Probability of Sovereign Defaults
- Assessing Fiscal Vulnerabilities
- The Dynamics of Public Debt Crises
- Public Debt Crises in Peripheral Euro Area Countries
- The in-class time is divided into approximately 70% lectures with discussions and 30% team presentations by students on selected case studies.

**Assessment:** Team presentations, classroom discussion, final written exam.

## Incentives

Prof. Dr. Eberhard Feess

Setting the "right" incentives can be seen as one of the core objectives of both Economics and Management. Misalignments of incentives between the society and bank managers can trigger financial crises and bail-outs, misalignments of the incentives of managers reduce share-

holder value, and misalignments of customers' interests and the incentives of privatized firms induce long waiting lines (e.g. in post offices) or frequent delays (e.g. of trains).

In recent years, the perspectives of Economics and Management on incentive problems have become more and more interlocked, thereby considerably benefitting both disciplines. On the one hand, Economic theory provides useful tools such as principal-agent theory, game theory, contract theory and auction theory which allow to capture and to discuss incentive topics in a radical way. On the other hand, Management theory sharpens our understanding of the actual consequences of incentives with its strong emphasis on experience and behavioral foundations, and experimental economics completes the picture by providing us with stable behavioral patterns in controlled environments. The module combines these perspectives with a clear focus on real-world phenomena.

The module gives an overview on economic tools (game theory, principal-agent theory, asymmetric information) and behavioral and experimental insights (prospect theory, reciprocity, crowding-in or crowding-out of intrinsic motivation) required for applying incentive theory in practice. Topics discussed are both from Economics and Management and include (in Management) Hierarchies, Delegation, the Allocation of Decision rights and Incentives in teams as well as (in Economics) Competition Policy and Privatization. The module strongly focuses on the content and the conclusions rather than on the mathematical structure of the models.

The in-class time is divided in 60% lectures (including discussions, of course) and 40% group presentations by students. Self-study includes the preparation of the presentations and the reading of articles provided by the lecturer.

**Assessment:** Final written exam; presentation of group work and classroom discussion.

## International Monetary Relations and Currency Crises

Prof. Dr. Paul G. Schmidt

The main topics of this module include:

- The Balance of Payments in National Accounting
- FX Markets, FX Instruments, and FX Strategies
- Foreign Exchange Rate Regimes and Monetary Arrangements
- Foreign Exchange Rate Regimes in Historical Perspective
- Theories on the Determinants of Foreign Exchange Rate Dynamics
- Causes of Currency and Balance of Payments Crises
- Early Warning Systems of Currency Crashes

The in-class time is divided into approximately 70% lectures with discussions and 30% team presentations by students on selected case studies.

**Assessment:** Team presentations, classroom discussion, final written exam.

## International Trade and Economic Integration

Prof. Dr. Paul G. Schmidt

The main topics of this module include:

- Theories on the Causes and Effects of International Trade
- The Impact of Trade on Economic Development and Poverty
- Theory and History of Protectionism and Trade Disputes
- History, Functions and Reform of the World Trade Architecture
- Regional Economic Integration: Europe, The Americas, Asia, and Africa
- World Commodity Markets: Agriculture, Minerals, Metals, Crude Oil and Natural Gas
- Foreign Direct Investment: Causes, Trends, and Effects

The in-class time is divided into approximately 70% lectures with discussions and 30% team presentations by students on selected case studies.

**Assessment:** Team presentations, classroom discussion, final written exam.

## Monetary Theory and Policy

Prof. Dr. Paul G. Schmidt

The main topics of this module include:

- Theories of Money Demand: Classical, Keynesian, Monetarist and Post-Keynesian
- Theories of Money and Credit Supply: Monetarist, Keynesian and Post-Keynesian
- Financial Markets and Financial Institutions
- The Process of Monetary Transmission
- Targets, Strategies and Instruments of Monetary Policy
- Monetary Policy in Practice: Euro Area, US, UK, Australia, Russia, China and Brazil

The in-class time is divided in approximately 70% lectures with discussions and 30% team presentations by students on selected case studies.

**Assessment:** Team presentations, classroom discussion, final written exam.

## Public Economics and Political Economy

Prof. Dr. Alexander Libman

Modern market economies, including their financial sector, are products of permanent and often not entirely justified interventions of the public budget. Therefore it becomes crucial to understand the reasons for these interventions from both theoretical and practical point of view, the mechanisms and the tools of these interventions, as well as whether the theoretical predictions are indeed able to explain what is really going on in the area of fiscal relations.

The aim of the module is to cover the problems of public finance and economics, that is, reasons for, organization of and boundaries of the public economic activity.

The module covers three main topics: the normative analysis of fiscal policy (aims of public economic activity, principles of organization of public budget, discussion of "science and art" of economic policy); political economy of fiscal policy (looking at decision-making mechanisms in

the fiscal area in democracies and non-democracies and economic theory of politics); and fiscal policy in the global economy (for example, tax competition).

**Assessment:** Term paper, presentation, short discussion.

### Seminal Articles in Economics and Finance

Prof. Dr. Adalbert Winkler

This module aims at introducing students to key papers (or books) and models that have made a difference in the development of economics and finance.

The module will be taught in seminar form. The overarching theme of the module may vary from the year to year, also reflecting recent developments in (international) macroeconomics and finance. The theme will be presented in the course description made available by the instructor at the end of the preceding semester.

**Assessment:** Active class participation, presentation, paper.

## Business Diplomacy

Dr. Matthias Catón

In a world where the spheres of business, government and society converge, every company has to be a savvy player in the public arena. Most businesses—big and small—act globally today for sourcing and sales.

Geopolitical events, new regulations in other markets, natural disasters, changing public perceptions, etc. can have a direct impact on a company's bottom line, even if they happen far away.

Business leaders need to maintain relationships with key government officials and other stakeholders, thus acting as ambassadors of their companies very much like traditional diplomats do representing their countries. They also need to anticipate changing political and societal circumstances, build and leverage networks and generally take a proactive stake in societal and political matters that influence their business environment.

In this module we will analyze situations that affect companies and discuss strategies they can employ to minimize risks and maximize opportunities arising from change in the global public environment.

**Assessment:** Presentation, case study, short essay.

## Corporate Sustainability

Dr. Veronika Kneip

Sustainability is a buzzword that is used both to describe concepts dealing with the long term success of the corporation and with normative ideas of sustainable development in the sense of the Brundtland Commission Report of 1987, that is, meeting the needs of the present without compromising the ability of future generations to meet their own needs.

The module will analyse those diverging and not always consensual meanings of sustainability. There is a variety of concepts connected to sustainability which underline the interconnectedness of corporations, society and the environment such as the resource based view of the firm, the triple bottom line, stakeholder approaches or ideas of inter- and intra-generational justice.

We will discuss the conflicting demands corporations have to deal with based upon the following core questions:

- How do corporations balance economic, environmental and social tasks?
- What are the relevant guidelines and indicators for measuring sustainability?
- What are the pillars of successful stakeholder management?
- Doing well by doing good – illusion or business excellence?

**Assessment:** Homework assignments, presentation.

## International and European Corporate Law

Prof. Dr. Redenius-Hövermann

Comparative corporate law with a main focus on German, French, English, Spanish and U.S. law. The basic organizational forms used for business in Europe and the United States will be presented (partnerships and corporations). Students will get an overview of the constitution, management and governance structures in the various forms of corporations. "Corporate Governance" will be the central theme of the module. European requirements will also be considered.

**Assessment:** Presentation, small case studies, participation in an excursion to a Court or a law firm.

## International Healthcare Business

Prof. Dr. Afschin Gandjour / Prof. Dr. Rainer Sibbel

The evolution of the health sector into one of the most intricate, dynamic, and far-reaching industries in the world has fuelled the demand for leaders with both business acumen and exceptional insight into the complexities of the industry. Equally critical is the need for creative, new approaches to improve patient outcomes, access to care, and cost management strategies.

The first part of the module focuses on health systems management and economics and will provide participants with an overview on the different areas of health econom-



ics, current trends and developments and analyze and compare various health systems from around the world. Students will explore some of the key drivers for health reform that have shaped and reshaped international health systems over the last two decades and continue to drive current change.

The second part the module addresses the flow of services within the healthcare industry and the potentials and challenges of health care value chains. Students will analyze trends in the international trade of healthcare services.

More specifically, topics include:

- Overview to health economics
- Basic operation of health systems worldwide
- Types and institutions of health systems
- Health system regulation
- Economic evaluation of pharmaceuticals and medical devices
- Healthcare Industry Segments and Globalization
- Healthcare Value Chain
- International Healthcare Business Models

**Assessment:** Executive summary, team presentations.

## International Organizations

Prof. Dr. Carsten Herrmann-Pillath

International organizations are an essential determinant of global business and affect all areas of economic activity, reaching from international trade policy or the standardization of technology to the regulation of consumer product safety. At the same time, they have become the crucial channel through which civil society can influence the shaping of global economic institutions.

International organizations and civil society act together in the formation of a global public sphere, such as in the area of human rights or environmental policy. Global leaders in international business need to have a thorough understanding of the peculiar dynamics in this field that shapes future political contexts of strategy development.

The course combines an introduction into the theoretical tools to analyse international organization with an

interactive approach to understanding the political economy of IO. Students play roles as representatives of international organizations, civil society initiatives and business lobby groups; they discuss policy issues across eight policy domains. Based on inputs by the lecturer, the simulations are reflected upon by making use of theories and concepts in economics, political economy and political science.

**Assessment:** Two team presentations of topic, essay on final debate, individual participation.

## Leadership and Ethics in Global Business

Prof. Dr. Erich Barthel

Leadership in global business is facing great challenges. Whereas free and deregulated markets provide new opportunities for doing business they also strengthen the need for leaders to take responsibility beyond the profit goals of the corporation.

We will provide a theoretical framework and concepts to better understand cultural differences, through which we can develop competences and adopt attitudes to help us keep an open and comprehensive mind for different cultures and, at the same time, overcome barriers and harness pitfalls.

The GLOBE Study provides data and discussions on successful and less successful managerial practices in different cultures. In our module we will present the elementary findings and discuss some of the consequences for hiring, selecting and developing leaders for a global economy. Once in place leaders have to be aware of their responsibilities. There seems to be both a call for strong and efficient leaders as well as for ethical and sustainable leadership.

In our presentations and discussions the focus will be on how the individual can find his or her way in the conflict arising from legal and corporate demands as well as from traditional and upcoming cultural requirements.

**Assessment:** Two group presentations (article and case study) with discussion, active class participation.

## The Political Economy of the European Economic and Monetary Union

Prof. Dr. Horst Löchel

The focus of the module is the ongoing crisis of the European Monetary Union (EMU), its origin and possible solutions. The module starts with a discussion of the institutional architecture and the governance model of EMU and EU. It turns then to the development of propositions about the causes of the sovereign debt crisis in Europe based on the theory of optimum currency areas. Thereby, a special focus is given on the balance-of-payment divergences between EMU countries.

Next comes an evaluation of the political crisis management and its results with a focus on (i) the debate between different camps of economists, basically 'integrationists' vs. 'minimalists', (ii) the implemented and intended instruments to overcome the crisis like ESM, fiscal compact and a European banking union, for instance, and (iii) the monetary policy of ECB in times of crisis like the OMT-program (Outright Monetary Transaction) that indeed manifests the role of the ECB as a lender of last resort.

**Assessment:** Presentations, papers, essay at the end of the course.