

INSPER COURSES 2015 (1st semester)

Electives taught in English

AGRIBUSINESS (Agronegócios)

COURSE LOAD: 80 Hours

OBJECTIVE: This course applies business management and economic concepts to Agribusiness. It is discussed the competitive strategies adopted by agri-input companies, farmers, food and distribution companies. Students will be encouraged to discuss Brazilian and international case studies. As a result of this course, it is expected that a student will be able to discuss the particularities of agribusiness and will be able to apply business management and economic concepts as an integrated framework to evaluate a particular sector of the economy.

SUMMARY: Presentation of agribusiness origins and its importance to Brazil and to global economy. Study of the agro-industrialization process in developed countries and in emerging markets, it will be discussed the agro-industrialization implications to the coordination of agribusiness system. Discussion about the particularities of cooperatives and family firms in agribusiness, with emphasis in strategic and organizational challenges. Evaluation of competitive strategies adopted by agri-input firms, farmers, food and distribution firms.

Analysis of key-challenges for Brazilian access in the international agribusiness commerce.

CONTENTS:

- Course introduction: objective, organization and expectations about the course
- Definition of agribusiness concept
- The central problem: the “farm problem”
- Economic importance of agribusiness in Brazil and in the world
- Key agribusiness sectors: agri-inputs, farming production, food transformation, wholesale and retail distribution
- Agro-industrialization
- Market consolidation and vertical coordination
- Implications to firms and farmers strategies
- Determinant factors to agro-industrialization: biotechnology, information and communication technology, new food consumption patterns.
- Agriculture cooperatives: economic importance in Brazil and in the world; economic reasons for cooperative formation; theory of the cooperative firm; new organizational model for cooperatives
- Family firms in agribusiness: management and ownership succession process; growth challenges; corporate governance and initial public offering (IPO); new models to access investor’s capital
- Competitive strategies in the agri-input industry: technology innovation and R&D strategies; business networks in biotechnology

- Competitive strategies in the farm level: origin certified, collective branding, biotechnology, business networks
- Competitive strategies in food processing industry: diversification, internationalization, new products introduction
- Competitive strategies in food wholesale and distribution channels: quality standards and private certifications, logistics and supply chain
- The government role: public policy that affects agribusiness
- The duality of small family production and family business production
- Brazilian agribusiness position in the international commerce: distortions in the commodity markets, multilateral negotiations in the World Trade Organization (WTO), sugar and cotton pannels.
- Commodity market: spot, future and options
- Agribusiness and environment: sustentability

BASIC REFERENCES

1. J.H. Davis, "From Agriculture to Agribusiness," *Harvard Business Review*, Jan-Feb 1956.
2. The Economist, *Growing Pains: A Survey of Agriculture and Technology*, March 25, 2000.
3. T. Reardon & C.B. Barrett, "Agroindustrialization, Globalization and International Development," *Agricultural Economics* 23: 195-205, 2000.
4. D. Besanko, D. Dranove, M. Shanley & S. Schaefer, "A Economia da Estratégia", 3 ed. Bookman, 2004
5. D. Zylbersztajn, "Papel dos Contratos na Coordenação Agroindustrial: Um Olhar além dos Mercados," Trabalho apresentado no XLIII Congresso da Sober, 2005.
6. S. Lazzarini, F.R. Chaddad, M. Cook "Integrating supply chain and network analyses: The study of netchains". *Journal on Chain and Network Analysis*. N.1 V.1 2001.
7. J. Wilkinson, "The Food Processing Industry, Globalization and Developing Countries," *electronic Journal of Agricultural and Development Economics*, 1(2): 184-201, 2004.
8. F.R. Chaddad & S.L. Lazzarini, "Relações Contratuais de Crédito Agrícola e o Papel dos Agentes Financeiros Privados: Teoria e Evidências dos EUA," *Revista de Economia e Sociologia Rural*, 41(3): 29-52, 2003.
9. S. Jank, A.M. Nassar & M.H. Tachinardi, "Agronegócio e Comércio Exterior Brasileiro," *Revista USP* 64 (Dezembro): 14-27, 2004.
10. M. Gehlhar & A. Regmy, "Factors Shaping Global Food Markets," In *New Directions in Global Food Markets*, Agriculture Information Bulletin 794, USDA Economic Research Service, pp. 5-17 (Chapter 1), 2005.
11. Reardon, T.P. Timmer and J. Berdegue, "Supermarket Expansion in Latin America and Asia: Implications for Food Marketing Systems," In *New Directions in Global Food Markets*, Agriculture Information Bulletin 794, USDA Economic Research Service, pp. 47-61 (Chapter 4), 2005.
12. S.G. Lazzarini, M.F. Neves e F.R. Chaddad, "Geneticamente Modificados: Deixem os Consumidores Decidirem!" *Revista Preços Agrícolas*, Ano XIV, N. 157, 9-12, 1999.
13. F.R. Chaddad & M.S. Jank, "Policy Coherence for Development: Issues for Brazil," In: *OECD Global Forum on Agriculture: Policy Coherence for Development*, Paris: OECD, 2005.
14. C.E. Guanziroli & S.E. Cardim, "Novo Retrato da Agricultura Familiar: O Brasil Redescoberto," *Projeto de Cooperação Técnica INCRA/FAO*, Brasília, 2000.
15. F.R. Chaddad & M.L. Cook, "Understanding New Cooperative Models: An Ownership-Control Rights Typology," *Review of Agricultural Economics*, 26(3), 348-360, 2004.
16. M.L. Cook, "The Future of US Agricultural Cooperatives: A Neo-Institutional Approach," *American Journal of Agricultural Economics*, 77(5), 1153-1159, 1995.
17. Case studies

ANALYSIS OF THE ECONOMIC ENVIRONMENT (Topics in Macroeconomics III)

COURSE LOAD: 80 Hours

PRE-REQUISITES: Macroeconomic and Econometrics courses

OBJECTIVE: To present to the students in the final stages of the Undergraduate programs in Economics and Management the data sources, indicators and analysis methods of the state of the economy in the short run. The Idea is to prepare the students for future demands of the labor market, offering them potential for practical analysis and interpretation of the short run movements of the economy.

SUMMARY: Macroeconomic Indicators: Data sources and estimation methods. Relationship between economic policy and the behaviour of the main macro variables. Leading Indicators. Monetary and Fiscal Policies. The External Sector and the global environment. Scenarios and economic reports.

CONTENTS:

1. Level of Activity: the real side of the economy.
2. Employment and Income.
3. Inflation and Monetary Policy
4. Public Finance and Fiscal Policy.
5. External Sector and the World Economy.

BIBLIOGRAPHY:

1. ROMER, D. Keynesian Macroeconomics Without the LM Curve. NBER Working Paper Series, January 2000.
2. BLANCHARD, O J. Fiscal Dominance and Inflation Targeting – Lessons from Brazil. MIT Working Paper Series 04-13, March 2004

ADDITIONAL BIBLIOGRAPHY:

1. Dezessete anos de política fiscal no Brasil: 1991-2007; Fábio Giambiagi, IPEA, texto para discussão no. 1309, Nov. 2007.
2. Predicting U.S. Recessions: Financial Variables as Leading Indicators ; Arturo Estrella & Frederic S. Mishkin, The Review of Economics and Statistics, vol. 80, No 1, Feb. 1998
3. Banco Central do Brasil. Relatório de Inflação, diversos números
4. Instituto de Pesquisa Econômica Aplicada. Boletim de Conjuntura. Several numbers.

GENERAL ORIENTATIONS:

Exams

There will be a midterm and a final exam. The idea is to evaluate how much of the content of the course is understood by the class.

Reports

The students will be divided in groups and will present reports about specific aspects of the economic environment. After the presentations, the reports will be discussed with the whole class.

Participation.

The evaluation of the participation in class aims to stimulate the practice of discussion and the construction of solid arguments.

DECISION MAKING AND NEGOTIATION (Teoria das Decisões e Negociação)

COURSE LOAD: 80 Hours

PRE-REQUISITE: Student must be fluent in English

OBJECTIVES: Negotiation is a core management competency. This course presents conceptual models, tactical approaches and self-assessment tools to help you develop your negotiation skills.

We will rely on a balanced mix of case studies, classroom experiences in negotiation, readings and group exercises. Successful negotiation skills do not come through passive learning – you will need to challenge yourself, and the course will provide timely feedback and opportunities to refine your negotiation strategies on a repeated basis.

Conceptual models will be presented in an intuitive fashion rather than rigorous quantitative development. There will be a special focus on problem structuring and solving as well as interpreting the results of each negotiation done in class so as to educate your mental process (decision making) in the context of dispute resolution.

By the end of the course it is expected that each participant has developed his/her ability to successfully negotiate, especially in four aspects: efficacy in achieving results, process efficiency, stress reduction and preservation of personal relationships. Attendance and preparation are mandatory, as well as the readings assigned for each topic.

CONTENTS:

1. Essentials of Negotiation
2. Preparation and Research – PSS and negotiation dynamics
3. Decision-making process – models and biases
4. Two Party, one issue – Distributive Negotiation
5. Two party, multiple issues – Integrative Negotiation
6. Team negotiation
7. Multiple parties, multiple issues
8. Internal negotiations
9. Cross Cultural Negotiation
10. Special topics (social dilemmas, ADRs)

BASIC BIBLIOGRAPHY: required readings (BB)

1. Thompson, Leigh - The Mind and Heart of the Negotiator; Prentice Hall, 2000 (3rd edition, 2005)
2. Shell, G. Richard – Bargaining for advantage (Negociar é Preciso); Negócio, 2001

ECONOMIC HISTORY OF LATIN AMERICA (Tópicos em História Econômica I)

COURSE LOAD: 80 Hours

OBJECTIVE: The goal of this discipline is to understand the key financial crisis that the main South and Central American countries experienced during the 20th century and to investigate the different impacts it had in distinct countries

SUMMARY:

The main goal of this discipline is to present the key financial, banking and currency crisis that the main Latin American countries experienced during the 20th century. Countries like Uruguay, Chile, Argentina, Brazil, Mexico and Colombia are some examples of places that experienced deep financial crisis during this period. In part because of different economic roots, these countries also presented different reasons for such crisis. We will analyze these countries and the competing explanation for the crisis. The related political and social framework that these countries were experiencing will also be considered.

A second part of this course is the role of the international lending agencies, with special emphasis to the International Monetary Fund. In other words, what is the role of the IMF and how its relationship with Latin American countries evolved through time is a theme that we will explore. The role of the World Bank, ECLAD and IDB are also explored in the course and we will contrast their approach towards the development of Latin American countries.

An immense drawback of such a history of financial crisis is the external debt crisis of the 1980s in South America. In turn, a third block of this course are the reasons for the external debt crisis and the solution implemented by the Brady plan. We will study the role of the Bradies in spreading out the Russian crisis to South America on one hand as well as the positive aspects (in terms of differentiation among the countries) that the Brady bonds brought to Latin countries.

We use traditional macroeconomic models to link the crisis and to understand why different countries experienced similar financial crisis in distinct times of history. We also make extensive use of HBS cases.

CONTENTS:

- The 1980s External Debt Crisis in South America: Reasons, Impacts and Solutions
- The Response to the 1980s External Debt Crisis – The Baker and Brady Plan
- The 1983 Chilean Banking Crisis and the 1990s Imposition of Capital
- The 1994 Tequila Crisis
- The 1999 Brazil Currency Crisis
- The 2001 Sovereign Default and Financial Crisis in Argentina
- The Role of Populism in Triggering Financial Crisis
- The Washington Consensus and the 1990s Economic Reforms in Latin America
- Should We Create an International Bankruptcy Court? Redefining the IMF Role in
- Solving Financial Crisis
- Good Policy Versus Good Luck: Why Latin American Countries were Not affected by the latest financial crisis
- The 'this time is different syndrome'. Similarities among the financial crisis

BIBLIOGRAPHY:

1. Bacha, Edmar. 1991. The Brady Plan and Beyond: New Debt Management Options for Latin America. Unpublished Manuscript, *PUC RJ*, May.
2. Bulmer Thomas, Victor. 1999. The Brazilian Devaluation: National Responses and International Consequences. *International Affairs* (Royal Institute of International Affairs 1944-). 75, No. 4. (October): 729-741
3. Caprio, Gerard, Dooley, Michael P., Leipziger, Danny and Walsh, Carl E. 1996. [The Lender of Last Resort Function Under a Currency Board: The Case of Argentina](#) (September). World Bank Policy Research Working Paper No. 1648.
4. De la Torre, Augusto, Levy-Yeyati, Eduardo and Schmukler, Sergio L.. 2003. [Living and Dying with Hard Pegs: The Rise and Fall of Argentina's Currency Board](#) (February). *World Bank Policy Research Working Paper* No. 2980.
5. Dooley, Michael P. 1995. A Retrospective on the Debt Crisis. *NBER Working Paper No. W4963*, July.
6. Dornbusch, Rudiger and Sebastian Edwards. 1989. Macroeconomic Populism in Latin America. *NBER Working Paper*.
7. Dornbusch, Rudiger, Ilan Goldfajn and Rodrigo Valdes. 1995. Currency Crisis and Collapses. *Brookings Papers on Economic Activity*, No. 2: 219 -293.
8. Edwards, Sebastian. 1985. Stabilization with Liberalization: An Evaluation of Ten Years of Chile's Experiment with Free-Market Policies, 1973-1983. *Economic Development and Cultural Change*, 33, No. 2 (January):223-254.
9. Edwards, Sebastian. 1986. Monetarism in Chile, 1973 – 1983: Some Economic Puzzles. *Economic Development and Cultural Changes* 34, No. 3 (April): 535 – 559
10. Ferreira, Afonso and Giuseppe Tullio. 2002. The Brazilian Exchange Rate Crisis of January 1999. *Journal of Latin American Studies*, Vol. 34, No. 1 (February): 143-164
11. Fraga, Arminio. 1999. [Monetary Policy During the Transition to a Floating Exchange Rate: Brazil's Recent Experience](#). *Finance & Development* (March). 37, no. 1.
12. Fraga, Arminio. 2004. Latin America since the 1990s: Rising from the Sickbed? *Journal of Economic Perspectives*. 18 no. 2: 89-106.
13. Franco, Gustavo. 1999. [The Political Economy of the Brazilian 1994 Stabilization: the Role of the Exchange Rate Regime](#). October, Stanford University.
14. Franco, Gustavo. 2000. [The Real Plan and the Exchange Rate](#). Essays in International Finance 217. New Jersey: Princeton University.
15. Franko, Patrice.2003. Latin America Debt Crisis: The Limits of External Financing (ch 4). In: *The Puzzle of Latin American Economic Development*. Rowman & Littlefield Publishers.
16. Hausmann, Ricardo, and Andrés Velasco. 2002. “ [Hard Money's Soft Underbelly: Understanding the Argentine Crisis](#).” *Brookings Trade Forum*.
17. Kenen, Peter. 1990. Debt Relief: The Need for a New Institution. *The Journal of Economic Perspectives*, Vol. 4, No. 1 (Winter, 1990): 7-18.
18. Krueger, Anne O. 2002. [A New Approach to Sovereign Debt Restructuring](#). April, International Monetary Fund.
19. Larrain, Mauricio. 1989. How the 1981-83 Chilean Banking Crisis Was Handled. *The World Bank*.
20. Lehman, Howard. 1994. International Creditors and the Third World: Strategies and Policies from Baker to Brady. *The Journal of Developing Areas*, Vol. 28, No. 2 (Jan., 1994):191-218
21. Meyer, Arno e Maria Silvia Bastos Marques. 1989. Mecanismos de Redução da Dívida externa dos países em desenvolvimento. *Revista de Economia Política*. 9, no. 2, Abril-Junho.
22. Navia, Patricio and Andres Velascos. 2003. [The Politics of Second-Generation Reforms](#). In: *After the Washington Consensus: Restarting Growth and Reform in Latin America*, edited by Pedro- Pablo Kuczynski and John Williamson, March, Institute for International Economics, Ch 10.
23. Powell, Andrew. 2002. Argentina's Avoidable Crisis: Bad Luck, Bad Economics, Bad Politics, Bad Advice. *Brookings Trade Forum*: 1-58.
24. Reinhart, Carmen and Kenneth Rogoff. 2009. *This Time is Different: Eight Centuries of Financial Foolies*. New Jersey: Princeton University Press, Ch 13, 14 and 15.

25. Rodrick, Dani. 2006. Goodbye Washington Consensus, Hello Washington Confusion? A Review of the World Bank's "Economic Growth in the 1990s: Learning from a Decade of Reform". *Journal of Economic Literature*, Vol. 44, No. 4 (December):973-987.
26. Roubini, Nouriel and Brad Setser. 2004. [Legal Reform](#). In: *Bailout or Bail in? Responding to Financial Crisis in Emerging Markets*. Washington DC: Institute for International Economics.
27. Sachs, Jeffrey and Felipe Larrain. 2000. A Crise da Dívida das Nações em Desenvolvimento, Cap 22. In: *Macroeconomia*. Sao Paulo: Pearson Education.
28. Sachs, Jeffrey, Aaron Tornell and Andres Velascos. 1996. The Collapse of the Mexican Peso: What Have we Learned?. *Economic Policy*. 11, no. 22: 13-63, April.
29. van Wijnbergen, Sweder. 1991. Mexico and the Brady Plan. *Economic Policy*, Vol. 6, No. 12 (April): 14-56.
30. Williamson, John. 2002. [Is Brazil Next?](#) Institute for International Economics. PB02-7.
31. Williamson, John. 2003a. Overview: [An Agenda for Restarting Growth and Reform](#). In: *After the Washington Consensus: Restarting Growth and Reform in Latin America*, edited by Pedro-Pablo Kuczynski and John Williamson, March, Institute for International Economics, Ch. 1.
32. Williamson, John. 2003b. [Our Agenda and the Washington Consensus](#). In: *After the Washington Consensus: Restarting Growth and Reform in Latin America*, edited by Pedro-Pablo Kuczynski and John Williamson, March, Institute for International Economics.
33. World Economic Outlook (2010). To be released in April, 2010

REQUIRED BOOKS:

1. Carmen M. Reinhart and Kenneth Rogoff. *This Time is Different: Eight Centuries of Financial Folly*. Princeton: Princeton University Press, 2009.
2. Peter J. Montiel, *Macroeconomics in Emerging Markets*, Cambridge University Press, Cambridge, 2003, 445 p.
3. Nouriel Roubini and Setser, Brad. *Bailouts or Bail-ins? Responding to Financial Crises in Emerging Economies*. Peterson Institute for International Economics, August 2004, 348 pp. ISBN paper 978-0-88132-371-9

ADDITIONAL REFERENCES

1. Barry Eicheengreen and Peter Lindert (editors) *The International Debt Crisis in Historical Perspectives*. Cambridge: MIT Press, 1989.
2. [Benton E. Gup](#) (Editor) *International Banking Crises: Large-Scale Failures, Massive Government Interventions*, Quorum Books (October 30, 1999)
3. Birdsall, Nancy and Williamson, John. [Delivering on Debt Relief: From IMF Gold to a New Aid Architecture](#), Peterson Institute for International Economics, April 2002. 192 pp. ISBN paper 0-88132-331-4
4. Charles Collyns,(ed) G. Russell Kincaid (ed) , and International Monetary Fund. [Managing Financial Crises: Recent Experience and Lessons for Latin America](#), April 2003.
5. Christian Suter. *Debt Cycles in the World-Economy: Foreign Loans, Financial Crisis and Debt Settlement, 1820 – 1990*, Bolder Colorado: Westview, 1992. ISBN-10: 9567421072
6. Jeffrey Sachs (editor) *Developing Country Debt and Economic Performance*, Chicago: Chicago University Press, 1989
7. John F. H. Purcell and Jeffrey Kaufmann. *The Risks of Sovereign Lending: Lessons from History*, New York: Salomon Brothers, 1993.
8. [Leonardo Hernandez](#) (Editor), [Klaus Schmidt-Hebbel](#) (Editor). *Banking, Financial Integration, and International Crises (Central Bank of Chile Series on Central Banking, Analysis, and Economic Policies, Vol. 3)* (Hardcover). Chile: Central Bank of Chile

9. Michael Mussa. [Argentina and the Fund: From Triumph to Tragedy](#), Peterson Institute of International Economics, 2002. ISBN paper 0-88132-339-X | 978-0-88132-339-9
10. Michael Tomz. Reputation and International Cooperation: Sovereign Debt Across Three Centuries. Princeton: Princeton University Press, 2007.
11. Patrick Honohan and Luc Laeven (Ed). Systemic Financial Crisis, Cambridge: Cambridge University Press, 2005
12. [Paul Beckerman](#) (Editor), [Andres Solimano](#) (Editor). Crisis and Dollarization in Ecuador: Stability, Growth, and Social Equity (Directions in Development) (Paperback), World Bank Publications, 2002
13. Pedro Aspe, Rudiger Dornbusch and Maurice Obstfeld (editors). Financial Policies and the World Capital Market: The problem of Latin American countries. Chicago:University of Chicago Press for the National Bureau of Economic Research, 1983
14. Pedro Pablo Kuczynski, and John Williamson (eds). [After the Washington Consensus: Restarting Growth and Reform in Latin America](#). Peterson Institute for International Economics, March 2003. ISBN paper 0-88132-347-0 | 978-0-88132-347-4
15. Peter J. Montiel, Macroeconomics in Emerging Markets, Cambridge University Press, Cambridge, 2003, 445 p.
16. Vito Tanzi, Argentina: An Economic Chronicle. How one of the richest countries in the world lost its wealth, 2007, ISBN-10: 0979557607
17. Williamson, John. [Curbing the Boom-Bust Cycle: Stabilizing Capital Flows to Emerging Markets, Peterson Institute for International Economics, July 2005](#). 144 pp. ISBN paper 978-0-88132-330-6
18. Williamson, John. The Crawling Band as an Exchange Rate Regime: Lessons from Chile, Colombia, and Israel. Peterson Institute for International Economics, September 1996. 200 pp. ISBN paper 978-0-88132-231-6

ENVIRONMENTAL MANAGEMENT AND CORPORATE SOCIAL RESPONSIBILITY (Tópicos em Administração III)

COURSE LOAD: 80 Hours

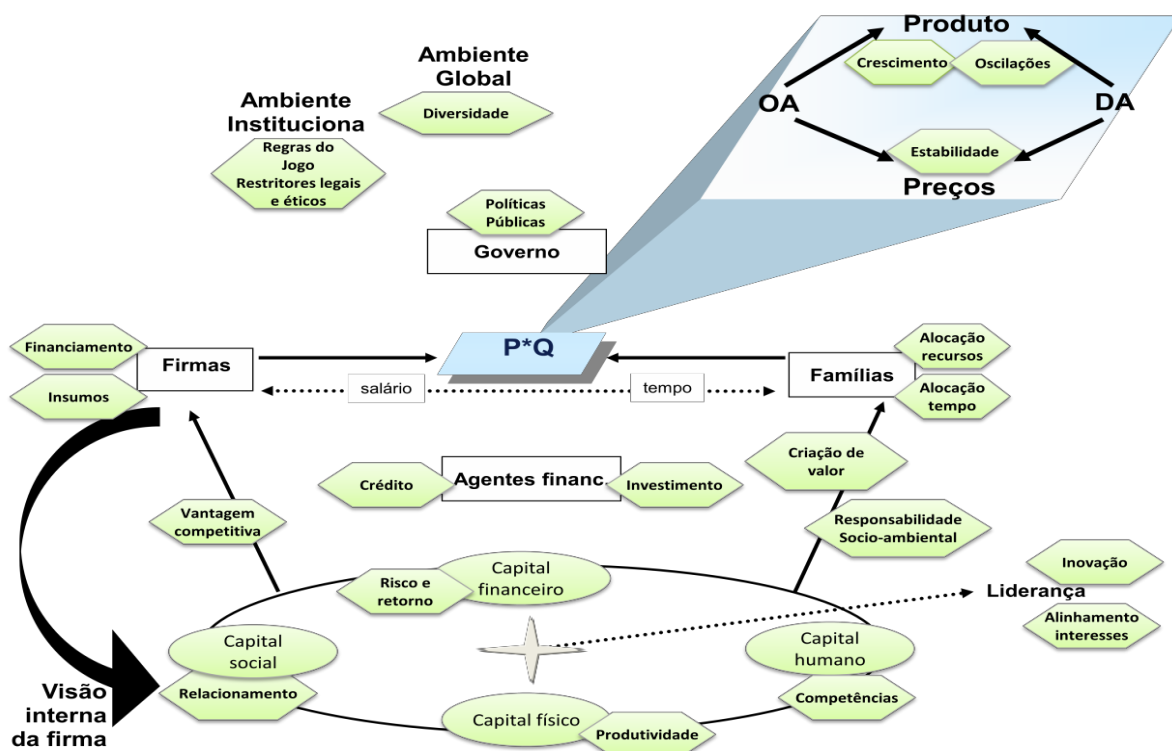
PRE-REQUISITES: Fundamentals of Strategy, Analytical Skills for Problem Solving and Decision-Making.

OBJECTIVES:

The objectives of this course are:

- To present and discuss the development the following concepts: Environmental Management, Sustainability and Corporate Social Responsibility;
- To critically analyze, through cases, the environmental and social problems/risks and opportunities, and managerial practices regarding sustainability of companies;
- To present and discuss the main tools companies are using in order to analyze opportunities and risks related to sustainability issues (environmental and social);
- At the end of the course, students would be able:
- To identify typical sustainability problems, dilemmas and opportunities;
- To implement sustainability issues into companies' strategy (planning, execution, and control).

Typical problems are derived from systemic anchor of the program (shown below) that illustrates the key elements of an organization, and its key interrelationships with the external environment.



SUMMARY: Companies, in many industries, have faced several challenges, involving risks or business opportunities, regarding environmental and social issues. Much of these issues are related to the lack of veracity and access of good information about the "state" of the Environment and of Social Relations and knowledge about the tools available in order to implement sustainability. Moreover, the uncertainties of environmental regulations, as well as the growing attention to accountability and transparency regarding companies' efforts on environmental and social performance, has required an expansion of business relationships, beyond those conventional: suppliers, employees and customers. In this context, managers need to understand how environmental and social factors (stakeholders) can create or destroy value.

This course focuses on identifying risks and opportunities for creating value from environmental and social issues, as well as their applications. The course will also prepare future managers to be able to identify, establish dialogue and "course of action" with different stakeholders.

Setting the Ground: contextualization

- Growth x Development (conceptual differences): Sustainable Development, Corporate Environmental Sustainability, and Corporate Social Responsibility.
- Environmental and social problems of the World.

Economics? Or Political Economy of the Environment?

- Environmental Economics and Natural Resources Theory;
- Economics of Pollution and Global Warming;
- Environmental Policy and Regulation.

Environmental Management: how companies are dealing with this in order to create value?

Corporate Environmental Management;

- Innovation;
- Eco- efficiency;
- Green Market;

Corporate Social Responsibility: how companies are dealing with this in order to create value?

Stakeholder Theory and Management: Who are them? What they want? What I want from them? How can a company communicate with them?

Sustainability and Strategy:

- Triple Bottom Line;
- Innovation and Sustainability: stages of sustainable strategy;
- Planning and Execution of Sustainable Strategy: Mission, Vision, Values, Corporate Strategy;
- Triple Control: GRI, Global Compact, DJSI, ISE, Triple Balanced Score Card.

INTERNATIONAL MANAGEMENT (Gestão Internacional)

COURSE LOAD: 80 Hours

OBJECTIVES: International Management is an interdisciplinary field within Administration that emerged in response to the ever increasing globalization of business processes and the needs of management to take into account issues that transcend national and cultural boundaries. This class will approach topics in International Management from both theoretical and applied perspectives, attempting to explore the ways in which management can shift its ways of thinking about organization in a global context, and how such thinking can lead to practical changes in managerial behavior and organizational structures.

SUMMARY: In addition to discovering what the discipline of International Management entails, you will be encouraged to apply and/or translate Management theories into current real world issues and applications. This course will use a combination of learning methods, including lectures, class discussion, writing assignments, and in-class exercises. Because of the rapidly changing nature of global business and the interdisciplinary influences in the field, this course will NOT be based on simply memorizing complex administrative or economic models, but will instead attempt to get a flavor for the different ways that managers can deal with international challenges and opportunities. Thus, while there will be exams, a large part of your grade will be based on short assignments, in-class discussion and group presentations (very hands on), with a focus on engagement of the material.

CONTENT:

1. Introduction to international business
2. Internationalization of the entrepreneurial firm
3. Industry competition in international business
4. Resources and capabilities in international business
5. Foreign market entry strategies
6. Alliances and acquisitions
7. Government and multinational companies
8. Ethics in international business
9. Global mindset of people and organizations
10. International negotiation

BIBLIOGRAPHY:

1. Peng, M.W., *Global Business*. South-Western College Pub. Cincinnati. 2009.
2. Articles covering cross-cultural and similar issues will be provided by the professor.

PRICING OF DERIVATIVES (Precificação de Derivativos)

COURSE LOAD: 80 Hours

PRE-REQUISITES: The student must be familiar with:

- Present value and internal rate of return computation
- Arbitrage (as a self-financing, profitable and riskless opportunity)
- Normal distribution (properties of the distribution and use of standard normal distribution tables)
- Risk (standard deviation of rates of return)
- Corporate financial decisions (capital structure and firm value)

OBJECTIVE:

To convey the concept of “derivative asset” and demonstrate the abundance of applications of the analysis of the properties and valuation of derivative instruments to the discussion and solution of various business and investment risk management problems.

OUTLINE:

Analysis of the role of arbitrage in the pricing of derivative instruments; demonstration of the use of combinations of assets and derivatives in the creation of derivative securities; application of spreadsheet modeling to pricing solution development; extension of pricing solutions to the analysis of investment, credit and financing issues, as well as to executive compensation schemes.

In terms of the school’s conceptual anchor, this course contributes to the development of knowledge about “risk and return” in the “financial capital” market and its role in the creation of value for both “firms” and “households”.

COURSE TOPICS:

- Hedging, speculation and arbitrage.
- Fixed income asset pricing.
- Pricing of forward and futures contracts and swaps.
- Option pricing.
- Application of option pricing models to investment project analysis (“real options”), credit risk measurement, use of call options in executive compensation, embedded options in conventional financial instruments.]
- Reading and understanding of published scientific work covering a course-related advanced topic.

COURSE SCHEDULE:

CLASS	TOPIC	FOUNDATIONS	EVIDENCE OF LEARNING	TOOLS
1	Hedging, speculation and arbitrage: risk, return and creation of value with the use of derivatives.	Risk and arbitrage.	In all topics, student learning will be assessed through his/her performance in the midterm and final exams.	Lecture and discussion of questions from readings. Reading: Hull, Ch. 1
2	Pricing of fixed income assets and interest rate determination: credit and financing..	Computation of the present value of riskless cash flows.	Idem	Lecture and discussion of questions from readings. Reading: Hull, Ch. 4
3	Mechanism of futures markets: risk and return.	Contract terminology..	Idem	Lecture and discussion of questions from readings. Reading: Hull, Ch. 2
4	Hedging with futures contracts: risk and return.	Risk and arbitrage.	Idem	Lecture and discussion of questions from readings. Reading: Hull, Ch. 3
5	Pricing of forward and futures contracts: risk and return.	Risk and arbitrage..	Idem	Lecture and discussion of questions from readings. Reading: Hull, Ch. 5
6	Hedging of interest rate risk: risk and return.	Risk and arbitrage.	Idem	Lecture and discussion of questions from readings. Reading: Hull, Ch. 6

7	Pricing of swaps: risk and return, credit.	Risk and arbitrage.	Idem	Lecture and discussion of questions from readings. Reading: Hull, Ch. 7
8	Mechanism of options markets: risk and return.	Contract terminology.	Idem	Lecture and discussion of questions from readings. Reading: Hull, Ch. 8
9	Properties of option prices: risk and return.	Risk and arbitrage.	Idem	Lecture and discussion of questions from readings. Reading: Hull, Ch. 9
10	Investment strategies with the use of options: risk and return.	Risk and arbitrage.	Idem	Lecture and discussion of questions from readings. Reading, Hull, Ch. 10
11	Binomial option pricing model: risk and return.	Risk, arbitrage and present value computation.	Idem	Lecture and discussion of questions from readings. Reading: Hull, Ch. 11
12	Black-Scholes option pricing model: risk and return.	Risk and arbitrage. Normal distribution.	Idem	Lecture and discussion of questions from readings. Reading: Hull, Chs. 12 and 13
13	Extensions of the Black-Scholes model to the pricing of currency and futures options: risk and return.	Risk and arbitrage. Normal distribution.	Idem	Lecture and discussion of questions from readings. Reading: Hull, Chs. 15
14	Application of option pricing to credit risk measurement: risk and return; financing; creation of value.	Normal distribution. Capital structure.	Idem	Lecture and discussion of questions from readings. Reading: Damodaran, Ch. 30

15	Application of option pricing to investment Project analysis: (“real options”): risk and return; investment; creation of value.	Normal distribution. Present value computation.	Idem	Lecture and discussion of questions from readings. Reading: Damodaran, Chs. 28 and 33
16	Application of option pricing to executive incentive compensation programs: risk and return; creation of value.	Normal distribution.	Idem	Lecture and discussion of questions from readings. Reading: Hull, Ch. 14

BASIC READINGS:

1. Damodaran, A. *Investment Valuation*, 2nd. Ed. Wiley, New York, 2002.
2. Hull, J. C. *Options, Futures and Other Derivatives*, 7th. Ed. Pearson Prentice-Hall, 2009.

SUPPLEMENTARY READINGS:

1. Beck, K., *A Course in Derivative Securities: Introduction to Theory and Computation*. Springer, Berlin, 2005.
2. Bodie, Z., A. Kane and A. Marcus, *Investments*, 8th. Ed. McGraw-Hill Irwin, New York, 2008.

ASSESSMENT CRITERIA:

NAME	ABBREVIATION	WEIGHT (%)
Midterm Exam	PI	40
Final Exam	PF	45
Reading Report	RL	15

Students attending fewer than 75% of class meetings will automatically fail the course.

GENERAL GUIDANCE: Promptness and attendance will be required in classroom activities. It is recommended, for the optimal use of the course materials that the readings be made in advance of the class meetings indicated in the TOOLS column of the course schedule. Classes will be taught in English and students are required to participate in English in all class meetings.

SERVICE MARKETING (Tópicos em Marketing I)

COURSE LOAD: 80 Hours

The service sector is the largest element in virtually all advanced countries with developing nations following close behind. In response to this new configuration of the business arena, this course deals with a set of concepts, tools and analytical frameworks that will help students to think critically about services and to understand how managing services, understanding consumers and ultimately developing successful marketing strategies differ in key aspects from managing conventional marketing operations in the manufacturing sector.

The set of topics that will be covered in the course include:

- Fundamentals in Services Marketing: Characteristics and scope of the service sector and major differences between services and goods.
- Consumer Behavior related to Services: Understanding the Service Experience
- The GAPS model of Service Quality: Dealing with Consumer Expectations and Perceptions.
- Service Failure, Service Recovery and Complaints Management
- Relationship Marketing and Customer Loyalty in Services
- The Service-Dominant Logic: Employees' and Consumers' Role in Services
- Yield Management: Managing Demand and Capacity in the service sector
- Globalization of services: Dealing with Cross-Cultural Issues
- Trends and Opportunities in Services Marketing

THE CHINESE ECONOMY AND DOING BUSINESS IN CHINA (Tópicos em Economia III)

COURSE LOAD: 80 Hours

SUMMARY: This course is sectioned in two parts: Chinese Economy (1st) and Doing Business in China (2nd). The aim of the first part (Chinese Economy) is to shed lights on the evolution of the Chinese Economy mainly after the opening up process led by Deng Xiaoping in

1979. From a Central Planned Economy (1949-1979) to an Entrepreneur Capitalist Economy (1980-1992) and later to a State Capitalist Economy or Socialist Economy with Chinese Characteristics, China has paved the way for its economy to become investment and export

oriented. With consumption over GDP declining to 35% along with lower household income, the emergence of 2008 worldwide economic crisis led China to pursue sustainable ways to boost its economy what indeed might trigger positive and negative effects to the whole world.

The conflict that arises between economics and politics and the need for China's economy to

rebalance (more consumption oriented) and the time consuming endeavored to reach its final goal (higher GDP growth, legitimacy of CCP and rebalanced economy) may not be an easy task to accomplish in the short term.

The aim of the second part of this course (Doing Business in China) is to make the participants

to become truly foreign entrepreneurs in China analyzing the main aspects that make business investments succeed locally: Issues such as the importance of *Guanxi*, how to enter the market (*legal enter mode*), different customers, different regions, different preferences, supply chain and human resources management should be addressed properly when planning to establish a plant, a Representative Office or outsourcing in China.

CHINESE ECONO MY

A. Central Planned Economy (1949-79)

B. Import Substitution Strategy (ISS) (1949-79)

C. Economic Reform - Deng Xiaoping (1979)

c.1 *Open Door Policy (Special Economic Zones)*

c.2. Responsibility System (Rural and Urban)

D. Economic Reforms and the rise of Capitalist Institutions

E. Tiananmen Interlude and the changes from an entrepreneur economy to a state economy

(Jiang Zhemin - Zhu Ronji era)

F. Rural – Urban inequality

G. Economic Growth Model: *Investment and Export Oriented*

H. *Factors Distortions and Impacts on Household Income*

I. Savings and Investments – Who saves anyway? Corporate or Households?

J. Exchange Rate Regime: The Role of the RMB (Yuan)

K. Chinese Monetary Policy: *Impossible Trinity*

k.1. Real Asset Bubbles

L. China’s Balance of Payments

M. Chinese Financial System

m.1. Banking System and Crony Capitalism

m.2. The role of Financial Repression in the Household Income (consumption / GDP)

m.3. Stock Market: QDII and QFII

m.4. Bonds Market

N. 2008 Crisis and the need for Economic Rebalancing (*more consumption oriented*)

O. New economic scenario between Brazil and China: Inflow of Chinese FDI

P. Saving Glut Theory

Q. Relation US vs China

DOING BUSINESS IN CHINA

A. Who? China: Different Consumers, Different Regions (Many Chinas)

B. Where? Analysis of the North-East, South-East, Central and Central West regions (consumption levels, wages, infra-structure, natural resources, etc)

C. Guanxi: Why it is so important? Cultural (Confucianism) and Historically (transition economy)

D. Chinese Government: Different levels

E. For What? Exports or Domestic Market

F. How? *Legal Enter Mode*: Agent, RepOffice, Outsourcing, *Wholly Foreign Company* or *Joint Venture*

G. Choice of Partners: Criteria and Risks

H. Supply Management

I. Distributors Management - FIGHT FOR THE MIDDLE

J. Human Resources

K. Headquarter’s View

L. Local Financing (RMB denominated loan) and *Buyer’s Credit* (China Eximbank)

MANDATORY BOOKS

1. The Chinese Economy: Transitions and Growth

Barry
Naughton
(2006) Ed.
The MIT
Press

SUGGESTED BOOKS

1. Capitalism with Chinese Characteristics: Entrepreneurship and the State Yasheng Huang (2008) Ed. Cambridge University Press

2. China's Rise: Challenges and Opportunities C. Fred Bergsten, Charles Freeman, Nicholas R. Lardy and Derek J. Mitchell (2008)
Ed. Peterson Institute for International Economics

3. Understanding and Interpreting Chinese Economic Reform
Jinglian Wu (2005) Ed. Texere

4. A China de Deng Xiaoping - o Homem que Pôs a China na Cena do Século XXI
Michael E.
Marti
(2006) Ed.
Nova
Fronteira

5. Debating China's Exchange Rate Policy

Morris Goldstein and Nicholas Lardy (2008)

Ed. Peterson Institute for International Economics **Prof. Roberto Dumas Damas**

6. China: The Balance Sheet: What the World Needs to Know Now About the Emerging Superpower (Institute International Economy)

C. Fred Bergsten, Bates Gill, Nicholas R. Lardy and Derek Mitchell
(2006) Ed. Peterson Institute for International Economics

7. Banking in China

Volaine Cousin (2007)

Ed. Palgrave Macmillan Studies in Banking and Financial Institutions

8. Red Capitalism: The Fragile Financial Foundation of China's Extraordinary Rise

Carl E. Walter and Fraser J. T.

Howie (2010) Ed. John Wiley &
Sons (Asia) Pte Ltd.

9. China's Emerging Financial Markets - Challenges and Opportunities

Series: The Milken Institute Series on Financial Innovation and Economic Growth, Vol. 8
Barth, James R.; Tatom, John A.; Yago, Glenn (Eds.) - 2009,

10. The Holy Grail of Macroeconomics: Lessons from Japan's Great Recession

Richard C. Koo (2008)

Ed. John Wiley & Sons (Asia) Pte Ltd