

OLCA018

APPLICATIONS OF BUSINESS STUDIES

Open Learning Initiative, OLLive-UP, Spring Semester, 2021

Seminar Leader: Clem Davies

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Class times: Tuesdays and Thursdays 15:45 - 17:15

Location: SR 12, Kuckhoffstr. 24

Office Hours: Tuesdays and Thursdays 17:30 – 18:30. Appointments to be made by email.

Credits: 4 US credit, 8 ECTS

Course Description

The course will offer students the opportunity to apply and deepen their knowledge in the field of business studies. The course will enable students to further their knowledge by looking either more broadly or more deeply into business study concepts, particularly in the field of finance. The structure of assessments allows students to pursue their own individual curiosities in the field of business and finance.

At the conclusion of the course students should be able to identify the intersections of individual businesses, finance, society and the economy, as well as have a solid vocabulary and conceptual foundation to be able to engage in master's level academic discussions. Finally, students should understand the assumptions and underlying tensions within business and finance schools of thought.

Learning goals and objectives

The purpose of this course is to provide students with the skills required for success at master's level, namely:

- Continue to develop a solid grasp of core business, economic, and finance concepts;
- Further develop sustainable study skills;
- Gain confidence in reading and understand academic texts;
- Further develop research, data analysis and academic writing and presentation skills;
- Interpret a range of economic models and indicators and assess their significance and limitations;
- Provide critique in a constructive and professional manner;
- Address critique in a constructive and professional manner, and where relevant, incorporate feedback and/or defend your position;
- Be able to confidently and competently express and identify academic arguments and opinions in written and spoken form;
- Gain an awareness of the different schools of thought that underpin teaching and learning methods within the business faculty.

Requirements

Academic Integrity

Bard College Berlin maintains the staunchest regard for academic integrity and expects good academic practice from students in their studies. In instances in which students fail to meet the expected standards of academic integrity will be dealt with under the Code of Student Conduct, Section 14.3 (Academic Misconduct) in the Student Handbook.

Attendance

Syllabi should note that attendance at ALL classes is expected. More than two absences (that is absences from two sessions of 90 minutes) in a semester will significantly affect the participation grade for the course.

Consultations, to be made by appointment, are mandatory twice during the semester. Once midterm to discuss progress and at the end of the semester to reflect on past and future study. Further consultation, where necessary, is available with appointment.

Students should consult the Student Handbook for regulations governing periods of illness or leaves of absence.

Assessment

Assignments and course work will be organized on Google Classroom

Students will be assessed through a combination of assignments which are designed to allow you to apply the course content to your area of interest and to produce graduate level work.

Assignments

Seminar Preparation and Participation: You are expected to attend lectures, complete the assigned readings, and to actively participate in class discussions.

Presentations: Based on the selected topics, you will be expected to present a summary of an assigned reading, bringing it to life for the class. You should define necessary terms, outline the key arguments, and provide context in the broader literature. The assignment will be assessed on presentation skills, structure and coherence, thoroughness of research and depth of analysis. You will be required to present four presentations, to be allocated during the first week of lectures and to be delivered in the first half of semester.

Capstone Project Presentation and Outline: You will be required to present your research question and initial findings to the class. You should provide a one-page hand out to the class. This assignment is a “check in” on your capstone project, and although you are not expected to present a complete project, you should have a solid presentation, outline, background information and initial findings, for comment by the class. Between 15 and 20 minutes will be allocated to each student, with a further 10 minutes for questions and comments.

Due date: Week 9

Capstone Project Comments: You will provide insightful, constructive comments on your classmates' capstone project. Provided with an outline, and following their presentation, you will provide verbal feedback to the presentation. You will be expected to be prepared and informed prior to the presentation.

Due date: Week 9

Capstone Project: Pursuing your own interests and focus in the field of business studies, you will spend the semester developing a capstone project which will be presented at a conference style event at the conclusion of the course. Your capstone project will be developed independently but through discussion with your instructor. Projects may take different forms, to be discussed in class, but must comprise a written section which includes a background and justification of the project/research topic, a short literature review, a theoretical framework, a main research question, methodology, results, and discussion. A list of resources, for literature and all data sources, is required. Word limit, including footnotes and reference lists, but excluding tables, is 3500 words.

Due date: Week 13

Policy on Late Submission of Papers

Essays that are up to 24 hours late will be downgraded one full grade (from B+ to C+, for example). Instructors are not obliged to accept essays that are more than 24 hours late. Where an instructor agrees to accept a late essay, it must be submitted within four weeks of the deadline and cannot receive a grade of higher than C. Thereafter, the student will receive a failing grade for the assignment.

Grade Breakdown

The percentage grade allotted to each essay or examination, other assignments, and classroom participation is as follows:

Class participation weeks 1 – 7: 10%

Class participation weeks 8 – 14: 10%

Presentations (4 at 5% each): 20%

Proposal and outline of your research projects: 15%

Comments on your classmates' assignments: 5%

Final capstone project: 30%

Writing Workshops

During the semester, in parallel with the tutorials, we will have three to four writing workshops which will help students deepen their academic writing skills and better understand academic research. Topics will include (but are not limited to) structuring an effective essay, writing effective introductions and conclusions, principles of effective paragraph structure, writing about data and evidence, writing an effective literature review, and constructing arguments. These tutorials will align with the workload around the capstone project.

Tentatively: Week 2, Week 4, Week 7, Week 10

Schedule

- Spring 2021 classes start on Monday, February 1 and run until Friday, May 21
- Spring break: Monday, March 29 – Monday, April 5.
- Federal Holidays: Monday, March 8 and Thursday, May 13

- Completion week: May 17 - 21. Students are required to be on campus during completion week.

Week 1: The real vs the financial economy

Course outline, and allocation of readings through the semester.

Guiding question:

How does the financial economy differ from the 'real economy'? What are the different sources of capital and finance?

Reading:

Surridge and Gillespie 2014 Chapter 15 Business Finance

Core economics Chapter 10: Banks, Money and the credit market

Week 2: Cash flow

Guiding questions:

What is the role and importance of cashflow to businesses? What problems can emerge with cashflow?

Reading:

Surridge and Gillespie 2014 Chapter 16 Forecasting and managing cash flow

Week 3: Production and production costs

Guiding questions:

How do firms decide what and how much to produce? How do businesses calculate their break even point?

Reading:

Surridge and Gillespie 2014 Chapter 17 Costs and break evens

Pindyck and Rubinfeld 2019 Chapter 6 Production and Chapter 7 Production Costs

Week 4: Financial statements and accounting

Guiding questions:

What information is necessary on a financial statement? What information is needed to measure and improve performance?

Reading:

Surridge and Gillespie 2014 Chapter 18 Accounting fundamentals

The Economist. 2010. Guide to Economic Indicators: Making Sense of Economics. Profile Books Limited.

Week 5: Role of financial markets

Guiding questions:

What is the role of finance? What are the role of banks and other financial institutions?

Reading:

"Chapter 1: Bank Business and Capital" in Choudhry, M., 2011. An introduction to banking: liquidity risk and asset-liability management (Vol. 30). John Wiley & Sons.

Krippner, G.R., 2005. The financialization of the American economy. *Socio-economic review*, 3(2), pp.173-208.

Week 6: The stock market

Guiding questions:

What is the purpose of the stock market? How does it work and how does it relate to the real economy?

Reading:

Krugman, P. 2020. Crashing Economy, Rising Stocks: What's Going On? In *The New York Times*. Available at: <https://www.nytimes.com/2020/04/30/opinion/economy-stock-market-coronavirus.html>

Bond, C. 2020. Stop Confusing The Stock Market With The Economy. In *Huff Post*. Available at: https://www.huffpost.com/entry/stock-market-is-not-the-economy_l_5ed51666c5b6277cf3c9e0bc

Week 7: Money and monetary systems

Guiding Questions:

What is the form, function, and characteristics of money? What is the role and importance of monetary markets?

Reading:

“Chapter 16: Money and Banking” in Hoang, P. and Ducie, M., 2013. *Cambridge IGCSE and O Level Economics*. Hodder Education.

“Chapter 4: The Money Markets” in Choudhry, M., 2011. *An introduction to banking: liquidity risk and asset-liability management (Vol. 30)*. John Wiley & Sons.

Week 8: Role of financial managers

Guiding Questions:

What is the significance of the principal agent problem?

Reading:

“Chapter 17: Markets with asymmetric information” in Pindyck, R.S. and Rubinfeld, D.L., 2013. *Microeconomics (International Edition)*.

Week 9: Business cycle theories

Guiding questions:

Why does the economy fluctuate? How do we measure these fluctuations?

Reading:

Core economics Chapter 13: Economic fluctuations and unemployment

Palley, T.I., 2011. A theory of Minsky super-cycles and financial crises. *Contributions to Political Economy*, 30(1), pp.31-46.

Raworth, K. 2017. Doughnut Economics. JPL Occasional Papers. Available at: https://www.jplc.org/files/pdf/Raworth_Pages%20from%202017_JPL_Occasional_Papers_13_FINAL.pdf

Week 10: Financialisation of non-financial corporations (NFCs)

Guiding question:

Finance is playing an increasing role in society – what significance does this have?

Reading:

Davis, L.E., 2016. Identifying the “financialization” of the nonfinancial corporation in the US economy: A decomposition of firm-level balance sheets. *Journal of Post Keynesian Economics*, 39(1), 115-141.

Alvarez, I., 2015. Financialization, non-financial corporations and income inequality: the case of France. *Socio-Economic Review*, 13(3), pp.449-475.

Hein, E., 2012. *The macroeconomics of finance-dominated capitalism and its crisis*. Berlin: Edward Elgar Publishing.

Week 11: Information and data economics

Guiding question:

What are the special characteristics of information economics? How does it impact finance?

Reading:

Haskel and Westlake, 2018. ‘Chapter 2: Capital’s vanishing act’ in *Capitalism without capital: the rise of the intangible economy*. Princeton University Press: Princeton and Oxford.

Stiglitz, J.E., 2002. Information and the Change in the Paradigm in Economics. *American economic review*, 92(3), pp.460-501.

Core economics Unit 21: Innovation, information, and the networked economy.

Week 12: Cryptocurrencies & Fintech

Guiding question:

What are the potential applications of blockchain technology? How is technology changing finance?

Reading:

Vincent, D. 2020. 'One day everyone will use China's digital currency' in BBC News. Available at: <https://www.bbc.com/news/business-54261382>

Nofer, M., Gomber, P., Hinz, O. and Schiereck, D., 2017. Blockchain. *Business & Information Systems Engineering*, 59(3), pp.183-187.

Week 13: Application and study of modern financial and economic crises

e.g. Great depression, great recession, Coronacrisis, Eurocrisis, Enron crisis.

Reading:

Garber, P.M., 1989. Tulipmania. *Journal of political Economy*, 97(3), pp.535-560.

Core Economics. Capstone 17: The Great Depression, golden age, and global financial crisis

Week 14: Final presentations

May 13: Public holiday – no class

Scheduled class times will be available online under the relevant course heading:

<https://berlin.bard.edu/academics/courses/>

Week 15: Completion week