Faculty Presentation Schedule

8:30 – 9 a.m.  Stacey Kole, Deputy Dean of the Full-Time MBA Program and Clinical Professor of Economics
9 – 9:30 a.m.  Chad Syverson, Professor of Economics
9:30 – 9:45 a.m. Ron Burt, Hobart W. Williams Professor of Sociology and Strategy
9:45 – 10 a.m. Eric Hurst, V. Duane Rath Professor of Economics and the John E. Jeuck Faculty Fellow
10 – 10:15 a.m. Don Eisenstein, Professor of Operations Management
10:15 – 10:30 a.m. Philip Berger, Wallace W. Booth Professor of Accounting
10:30 – 11 a.m. Break
11 – 11:15 a.m. Sanjay Dhar, James H. Lorie Professor of Marketing
11:15 – 11:30 a.m. Jeffrey Russell, Professor of Econometrics and Statistics
11:30 – 11:45 a.m. Anil Kashyap, Edward Eagle Brown Professor of Economics and Finance
11:45 - Noon  Ayelet Fishbach, Professor of Behavioral Science and Marketing
Noon – 12:15 p.m. Ellen Rudnick, Executive Director, Polsky Center for Entrepreneurship and Clinical Professor of Entrepreneurship
Chicago Booth Curriculum

Stacey Kole
Deputy Dean of the Full-Time MBA Program and Clinical Professor of Economics

September 8, 2011
MBA Curriculum*

• Leadership Effectiveness and Development (LEAD)

• 20 courses including:
  – 3 Foundations courses (Accounting, Microeconomics, Statistics)
  – 6 courses from:
    • Functions (Finance, Marketing, Operations)
    • Management (Decisions, People, Strategy)
    • Business Environment
  – 11 Elective courses

* Career Essentials
Timing Issues

• Fall Quarter 1Y “norms”
  – More than 95% take 2 Foundation courses
    • About 65% take 3
    – Average course load is approximately 3.5 courses

• Five years to complete MBA requirements
  – Six quarters and a summer is the assumed route

• Course schedule is currently available for 2011-12 but not for 2012-13
Features of Our Coursework

• Discipline-based curriculum
• Research faculty in the classroom
• Different “flavors” of a single course
  – Teaching methods
  – Location of offerings (Gleacher, HC)
• Experiential or “Lab” courses
• Most flexible MBA curriculum available
Customize your Learning

• Select courses appropriate to your goals and educational and professional experience

• Sequence courses to fit your internship and career goals or personal timeline

• Differentiate yourself during your summer internship

• Please note, we guarantee you access to courses, not to specific faculty instructors.
Concentrations

• 14 existing concentrations plus make-your-own option

• Tool to signal expertise
  – As a newly-minted MBA and later on
Landscape of Curricular Opportunity

• Business problems rarely come in neat, functional-area boxes
  – Career focus does not mean taking all 11 elective electives within a single area

• Learn about how faculty structure their courses and how to think about complementary coursework.

• Keep an open mind
  – How do you wish to use your two years at Booth?
  – Where can you acquire knowledge and learn/practice important skills?
Faculty Presenters

- Chad Syverson (Microeconomics and Strategic Management)
- Ron Burt (Organizations and Markets)
- Eric Hurst (Macroeconomics, International Business)
- Don Eisenstein (Operations)
- Philip Berger (Accounting)
- Sanjay Dhar (Marketing)
- Jeffrey Russell (Econometrics and Statistics)
- Anil Kashyap (Finance, Analytical Finance)
- Ayelet Fishbach (Managerial and Organizational Behavior)
- Ellen Rudnick (Entrepreneurship)
Microeconomics

Chad Syverson
Professor of Economics
Microeconomics

• Why take micro?
  – Because you have to (Foundations requirement)

• Why take anything more than micro?
  – Classes that satisfy other requirements
  – Concentration and classes that count to other concentrations
  – Powerful tools and frameworks for understanding business, individuals, and society

• Many electives throughout Chicago Booth are applied microeconomics courses
Foundation Requirement

• **33001 Microeconomics**

  • Who remembers their undergrad classes, anyway?
  • Frameworks that will shape the way much other material is taught at Chicago Booth
  • About 85-90% will take it, most in the autumn
  • Topics include consumer behavior, production, cost, supply and demand, market organization, perfect competition, monopoly, government regulation, taxation, economics of information, behavior under uncertainty, pricing tactics, strategic behavior (game theory)

  or
Approved Substitutes (No Need to Petition)

• 33002 Accelerated Micro Theory
  • Mathematical approach for students with strong micro and math backgrounds. Half will be core micro topics, second half applications such as price discrimination, auctions, oligopoly, information.
  • Taught by Lars Stole
  
or

• 33101 Advanced Micro Analysis
  • Same set of topics as 33001, but covered at a much more advanced level
  • Taught by Kevin Murphy
Petition Substitutes

• Take a substitute class and answer econ questionnaire
  - Bus 33501* International Commercial Policy (Macro)
  - Bus 33502* International Financial Policy (Macro)
  - Other: PhD courses (such as Industrial Organization)

• *No “double-dipping” allowed (i.e., can’t use this course for both Foundation requirement and Business Environment requirement)

• *No waivers without a Chicago econ substitute
Management (People) Requirement

Bus 33032 Managing the Workplace

- Taught by Mike Gibbs, Stacey Kole and Canice Prendergast
- Economic approach to HRM
Economics Concentration

• 4 courses (not including 33001 and 33002) among several offerings in:
  – Human Resource Management
  – Industrial Organization
    • Law, Economics and Business
    • Antitrust and Industrial Organization
  – Macroeconomics
    • International, Banking, Money
  – Advanced Micro and Advanced Micro Theory
  – Business Policy
    • Economic Analysis of Major Policy Issues
  – Competitive Strategy
Microeconomics Electives

• Even if not interested in taking a concentration in Economics, you should seriously consider taking some microeconomics electives:

  • “Chicago School” is famous for its application of economics to understanding real world problems in public policy, government regulations and industrial organization

  • Great chance to get exposed to these ideas

  • Also, variety of economics-based strategy courses

  • “Strategic Management” Concentration

  • 42001 Competitive Strategy (42116 Game Theory not being offered in ’11 – ’12)
Microeconomics Faculty

Gary Becker
Marianne Bertrand
Hoyt Bleakley
Eric Budish
Dennis Carlton
Harry Davis
Robert Fogel
Alex Frankel
Matt Gentzkow

Robert H. Gertner
Michael Gibbs
Austan Goolsbee
John P. Gould
Emir Kamenica
Marc Knez
Stacey Kole
Kevin Murphy
Matt Notowidigdo

Emily Oster
Canice Prendergast
Jesse Shapiro
Yoad Shefi
Ram Shivakumar
Lars Stole
Chad Syverson
Robert Topel
Strategic Management

• Concepts and skills needed to formulate and implement an organization’s key market decisions, and shape the structure and functioning of the organization

• Content of courses extend across functional boundaries, and integrate tools from many disciplines

• Senior management perspective

• Problems are typically ambiguous and cannot be completely answered with a formula or model
Core Topics

• Competitive strategy
  – Business unit strategy: entry, positioning, pricing, innovation, etc.

• Corporate strategy
  – The way a firm creates value across different activities and the scope of the firm

• Implementation and strategic planning
  – Organizational and management processes for strategic decision-making and converting the organization’s strategic plan into action and results

• The fit among the above topics
Required Course

• Either 42001, 42002, or 39001

• Competitive Strategy (42001)
  • Focus on strategic decision making at the business unit level
  • Economics-based

• Business Policy (42002)
  • Focus on process for designing and implementing strategy
  • Designed more as a capstone than a foundation course

• Strategy and Structure (39001)
  • Broad coverage of business unit strategy, corporate-level strategy, organizational structure, and implementation
  • Strategic management
  • Sociology discipline base
Strategic Management Concentration

• Four courses total from Core courses (39001, 42001, 42002) and electives

• Strategic Management electives:
  42102: The Strategy Symposium
  42103: Applied Strategic Management (INTOPIA)
  42107: Taking Charge
  42108: Corporate Governance
  42110: Strategic Investment Decisions (not offered ’11 – ’12)
  42114: Strategy Development
  42120: Innovation in Energy Markets & Opportunities in Renewable Energy
  42121: Mergers and Acquisitions Strategy
  42701: Strategy Lab
  42702: Analytic Strategy Lab
  39101: Technology Strategy

• Electives from other areas:
  Entrepreneurship (34102, 34103), International Business (33503), Management Labs (37701)
Distinguishing Features of Chicago Booth Strategic Management Curriculum

• **Discipline-based** education grounded in basic and applied research
  
  – Interdisciplinary approach from economics, sociology, psychology with emphasis on economics

• **Applied** problem-solving and **interactive** learning

• **Decision-making skills** for highly complex and ambiguous business problems

• **Critical thinking** grounded in thorough conceptual and analytical analysis

• **Innovation** to bring best new ideas into the classroom
Career Goals

• Management consulting
  o Fall quarter course selection and internships

• Corporate management
  o General management, corporate finance, marketing

• Entrepreneurship
  o Both management and financing

• Investment Management
  o Fundamental equity analysis

• Investment banking
  o Corporate finance
Organization and Markets

Ron S. Burt
Hobart W. Williams Professor of Sociology and Strategy
Organizations & Markets

39002 Strategic Leadership (aka 39802, Winter Burt, Spring Yenkey; 6 sections)
meets management requirement (& concen in Gen Manage, & MOBS)

39001 Strategy and Structure (Winter Sharkey, Spring Pontikes; 5 sections)
meets management requirement (& concen in Gen Manage, & Strat Manage)

39101 Technology Strategy (Spring Kahl, 3 sections)
elective version of 39001 focused on strategy applied to tech companies
(counts for concentration in Entrepreneurship, Gen Manage, & Strat Manage)

39102 Social Network Analysis (Spring Burt, 1 section)
clinical and operational elective building on 39002 (39002 is prerequisite)
Macroeconomics and International Business

Erik Hurst
V. Duane Rath Professor of Economics and the John E. Jeuck Faculty Fellow

CHICAGO BOOTH
The University of Chicago Booth School of Business
An Overview

- Most courses at Booth emphasize decision making within business organizations and the relationship of firms to:
  - Customers
  - Suppliers
  - Employees
  - Rivals

- Courses in Macroeconomics and International Business adopt a somewhat different perspective. They focus on the larger economic environment in which businesses operate:
  - How do consumers and firms respond to different economic environments?
  - How do the collective decisions by consumers and firms aggregate?
  - What roles do governments, institutions and regulators play as economic actors in shaping the business environment?
Why is the Business Environment Important?

- Government activity accounts for roughly a third of economic activity in the U.S. and an even bigger fraction in most other developed economies.

- The government and the political process have a profound impact on the rules of the game for business. (That is why we lobby them so much!)

- Institutions and policies matter. (Think, for example, about the role of Fed actions in the recent financial crisis.)

- Understanding interest rates…

- As you advance to more senior positions during your career, understanding government actions and aggregate behavior becomes a more important aspect of your job.
The Courses

- 33040: Macroeconomics (X)  
  Macro
- 33305: The Firm and the Non-Market Environment (X)  
  Business Environment
- 33471: Business, Politics, and Ethics (X)  
  Business Environment

- 33401: Money and Banking (x)  
  Macro
- 33402: Central Banking: Theories and Facts  
  Macro

- 33502: International Financial Policy (x)  
  Macro/International
- 33520: The Wealth of Nations  
  Macro/International

- 33501: International Commercial Policy (x)  
  Trade
- 33503: Managing the Firm in the Global Economy  
  International Business
- 33522: The Chinese Economy  
  International Business
- 33521: Asian Economies and Business  
  International Business
Business Environment Requirements

Main Line Requirements

• 33040: Macroeconomics

• 33305: The Firm and the Non-Market Environment

• 33471: Business, Politics, and Ethics

Approved Substitutes

• 33401: Money and Banking

• 33502: International Financial Policy

• 33501: International Commercial Policy
Macroeconomics (33040)

- Analyzes the broad economic setting in which businesses, individuals and governments make decisions. Focuses on outcomes and issues at the level of national economies. Builds on Microeconomics (33001)

- The foundation for other Booth courses in Macroeconomics and International Business.

- Approved substitutes for Macroeconomics: 33401, 33402, (and 33502, when offered); 33471, Advanced Macro Classes from Economics Department (33000, 33100, 33200)

- More applied and enjoyable than undergraduate versions of the course

Macroeconomics (33040): Specifics

• **Sample broad questions:**
  – How are GDP and its components measured?
  – Why do living standards and economic development differ among countries?
  – How are financial markets linked to aggregate economic performance?
  – How do taxes and fiscal policy affect the economy?
  – What is the proper role for monetary policy, and how does it affect inflation and aggregate economic performance?

• **Sample specific questions:**
  – What are the causes and consequences of the most recent recession?
  – How does the Federal Reserve influence short term interest rates?
  – What are the links between housing markets and the macroeconomy?
  – Why is inflation “bad”? 
The Firm and the Non-Market Environment (33305)

- The non-market environment of a firm is the broad political, legal and civil contexts in which the firm operates and where the norms and regulations that constrain the firm’s actions are set.

- This course develops conceptual frameworks for analyzing the non-market environment, and helps in articulating firms’ best strategies in light of their multiple non-market constituencies.

- Topics include business legislation, regulation and antitrust, lobbying, activists and the media, intellectual property, international trade policy, environmental issues, ethical issues and corporate social responsibility.

- Case-based course covering both the US and the international contexts.

- Taught from a micro perspective.
How should a company handle criticism from rival firms or other groups who have something to gain by weakening the company’s or its industry’s reputation?

How can managers factor ethics and corporate reputations into the tradeoffs they make?

What is “corporate social responsibility”, and how well do the arguments and business practices that go along with it stand up to scrutiny?

How can companies behave ethically and guard their reputations when operating in multiple countries with different cultural norms, expectations and standards?
Advanced Courses: Macro & Finance

• Money and Banking (33401)
  – How does the Fed affect interest rates, and should it use its power to influence interest rates?
  – How have regulation and innovation altered the role of banks and other financial institutions?

• Central Banks: Theories and Facts (33402)
  – How do central bank policies around the world differ?
  – How have central bank objectives been altered by the financial crisis?
Advanced Courses: International Macro & Finance

- **International Financial Policy (33502)**
  - What are the causes and consequences of exchange rate movements?
  - What is a “carry trade” and how does it work?
  - What triggers a currency crisis?
  - Should we care about large trade deficits?
  - How do recessions get passed from one country to another?
  - How does the growth of emerging markets (Brazil, China, India, etc.) respond to macroeconomic instabilities?
Advanced Courses: Macro & International Business

• The Wealth of Nations (33520) <<Macro Focus>>
  – Why is the U.S. the wealthiest country in the world?
  – How can we understand the emergence of China and India in the last two decades?
  – Why are Venezuela and Sub-Saharan Africa growing so slowly relative to the rest of the world?
  – Why has Brazil not emerged as a growth miracle despite its enormous potential?

• The Chinese Economy (33522) <<Micro/Macro Focus>>
  – Use simple frameworks to understand the Chinese economy and its impact on the world economy.
  – Focus on household behavior, firm decision making, trade, FDI, public finance and political systems.
Advanced Courses: International Business

- Asian Economies and Business (33521) <<Micro Focus>>
  - How are China and India different from each other, and how well do they fit the development model that other East Asian economies followed?
  - What caused the Asian financial crisis, and is it likely to happen again?
  - How do you invest and do business in Asian countries with big informal markets?
  - How can managers and investors deal with political risks in the region?
Advanced Courses: International Business

- **International Commercial Policy (33501)**
  - What are the costs and benefits of international trade?
  - How do trade and industrial policies affect productivity, industrial structure and income distribution?

- **Managing the Firm in the Global Economy (33503)**
  - Where should a firm source its production activities?
  - How should multinationals respond to exchange rate exposure and country risk?
  - How should firms develop and protect intellectual property in a global economy?
International Business Concentration

- Interdisciplinary and Flexible

- 3 courses required for the concentration: Choose among 33402, 33501, 33502, 33503, 33510, 33520, 33521, 35210 and 38113. At least one must be 33501 or 33502.

- Note:
  - 33510 is Finance and Entrepreneurship in Emerging Markets
  - 35210 is International Corporate Finance
  - 38113 is Cultural Currency

- Limited, pre-approved substitutions are possible.

- Exchange students must pre-apply to substitute courses taken abroad. The point of exchange programs is to take courses NOT offered at the Booth.
International MBA (IMBA) Program

- The Curriculum Page on the Chicago Booth portal: [http://programs.chicagobooth.edu/curriculum/degree.aspx](http://programs.chicagobooth.edu/curriculum/degree.aspx) describes the requirements for a degree in the IMBA program.

- Some key points:
  - Five courses from 33402, 33501, 33502, 33503, 33510, 33520, 33521, 33522, 35210, and 38113. At least one must be 33501 or 33502.
  - Study abroad requirement: up to 3 courses for Booth credit.
  - Proficiency in a second language.
Operations

Don Eisenstein
Professor of Operations Management
Two course areas

Functions:

**Operations:** Bus 40000

Operations Management:

Business Process Fundamentals

Management:

**Decisions:** Bus 36106

Managerial Decision Modeling
Operations

The business function that is responsible for providing goods and services to customers

• A view of a business as a process flow

• Ex. A Hospital, An Assembly Plant, Amazon vs. Bricks

• A service (like you are in now!)
## Operations Functional Courses

<table>
<thead>
<tr>
<th>Basic Course</th>
<th>Approved Substitutes</th>
</tr>
</thead>
<tbody>
<tr>
<td>40000</td>
<td>40101</td>
</tr>
<tr>
<td>Operations Management: Business Process Fundamentals</td>
<td>Supply Chain Strategy &amp; Practice</td>
</tr>
<tr>
<td></td>
<td>40108</td>
</tr>
<tr>
<td></td>
<td>Revenue Management</td>
</tr>
<tr>
<td></td>
<td>40110</td>
</tr>
<tr>
<td></td>
<td>Managing Service Operations</td>
</tr>
</tbody>
</table>
40000: Operations Management: Business Process Fundamentals

Basic Course: Satisfies Operations Functional Reqmt

- Manufacturing, Services, and Supply Chain Mngt
- Required by all peer institutions
- Fair reliance on math models/analysis
- Mix of Cases and Lectures
- Help prepare case interviews: Operational component of case analysis
- Who should take: Consultant, Gen Management, Private Equity, Entrepreneurs, Analyst
40101 Supply Chain Management

Approved Substitute for 40000

• But 40000 is typical prerequisite
• Mix of Cases/Lectures
• Some math analysis, but less than 40000
• A bit more strategic than 40000
• Who should take:
  – Consultants, Gen Management, Analyst
40108 Revenue Management

Approved substitute for 40000

• Real world pricing models to maximize revenues
• Pricing of services under capacity considerations
  – Ex. Airlines, Hotels, Rental Cars …
  – Any service where capacity perishes at some point in time
• Who should take
  – Consulting
  – Perfect for engineers/technically inclined
  – Heavy in mathematical modeling
40110 Managing Service Operations

Approved substitute for 40000

- Primary focus is on the customer
- Add process mapping of the customer experience
- Somewhat less mathematical analysis than 40000
- Also counts for Entrepreneurship Concentration
- Mix of Cases/Lectures

- Who should take
  - Service providers, Consultants, Entrepreneurs, Marketers, General Mngt
Management Decision Courses

Basic Courses

30001
Managerial Accounting

36106
Managerial Decision Modeling

38002
Managerial Decision Making
36106: Managerial Decision Modeling

Focus is on modeling and decision tools

– How to build a decision model for a business problem
– Learn tools to analyze/solve model
– Excel Spreadsheet is your platform
– A variety of problem areas
  • Operations, Finance, Marketing
– Analytical, but takes you from the start
– Who should take:
  • Consultant, General Management, Analyst
36104: Tools for Business Analysis: Excel and Matlab

An advanced course on decision modeling

- Financial analyst
- You go beyond the basic Excel tools
- You are a backroom analyst
- Ideal for the engineer who already has a technical background in programming and excel
# Operations Faculty

<table>
<thead>
<tr>
<th>Name</th>
<th>Name</th>
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</thead>
<tbody>
<tr>
<td>Dan Adelman</td>
<td>Kipp Martin</td>
</tr>
<tr>
<td>John Birge</td>
<td>Rod Parker</td>
</tr>
<tr>
<td>Sergio Chayet</td>
<td>Chris Ryan</td>
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<tr>
<td>Mark Cotteeleer</td>
<td>Burhan Sandikci</td>
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<tr>
<td>Laurens Debo</td>
<td>Che-Lin Su</td>
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<tr>
<td>Nicole DeHoratius</td>
<td>Willard Zangwill</td>
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<tr>
<td>Don Eisenstein</td>
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</tbody>
</table>
Accounting

Phil Berger
Wallace W. Booth Professor of Accounting
Overview

- Accounting: measurement of economic events
- Focus of accounting curriculum
- Areas within accounting & courses in each area
- Course relations & appropriate sequences
- Accounting faculty & teaching styles
Accounting measures economic events

Economic Reality

Financial Statements & Disclosures

Accounting Lens:
The Measurement Process
Accounting therefore affects the financial and real sectors.

**Real Sector** (Firms, banks)

**Feedback effect**

**Financial Sector** (e.g. financial markets)

**Information Sector** (e.g., Financial Statements, Analysts)

- **Accounting Measurement Rules**
- Affects supply and demand of securities
Focus: Users, Not Preparers

- Accounting info: Used for decisions inside & outside firm. E.g.,
  - **Managers:** (product mix, spin off a subsidiary, acquire target firm, design optimal compensation contracts)
  - **Management consultants:** (↑ shareholder value)
  - **Investment bankers:** (evaluate structure & value of deals)
  - **Portfolio managers, lenders, venture cap:** (investment and pricing decisions)

⇒ All rely heavily on accounting info
User Focus........

• By focusing on users, our accounting curriculum is designed to help you understand:
  - How does accounting information capture economic events?
  - How can it best be used for decision-making?
  - Limitations?
  - Alternative sources of information?

As a result ⇒ Extensive links to other disciplines (e.g. economics, finance, organizational behavior, strategy)
## Accounting Areas and Courses

<table>
<thead>
<tr>
<th>Course Code</th>
<th>Course Name</th>
<th>Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>30000</td>
<td>Financial Accounting (Introductory)</td>
<td>FINANCIAL</td>
</tr>
<tr>
<td>30116</td>
<td>Accounting &amp; Financial Analysis I</td>
<td>FINANCIAL</td>
</tr>
<tr>
<td>30117</td>
<td>Accounting &amp; Financial Analysis II</td>
<td>FINANCIAL (EXTERNAL)</td>
</tr>
<tr>
<td>30130</td>
<td>Financial Statement Analysis</td>
<td></td>
</tr>
<tr>
<td>30118</td>
<td>Taxes &amp; Business Strategy</td>
<td>TAX</td>
</tr>
<tr>
<td>30001</td>
<td>Managerial Accounting</td>
<td>MANAGERIAL (INTERNAL)</td>
</tr>
</tbody>
</table>

⇒ Accounting Concentration: Any 4 courses
One Required (Foundations) Accounting Course

30000 (typically)

- Basics of external reporting & interpreting fin statements
- Prerequisite (or equivalent) for all other accounting courses

   Autumn: Engel, Gao, Heltzer, Nikolaev
   Winter: Bleck, Zechman
   Spring: Christensen
   Summer: Orpurt

Recommend: take early (among 1st 6 classes)

Common dilemmas: “I’ve had some accounting before”
                 “I’m a CPA” or “I’m a financial analyst”

⇒ Approved substitutes: 30116, 30117, 30130
## Rich Set of Electives

<table>
<thead>
<tr>
<th>Course Code</th>
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<tr>
<td>30116</td>
<td>Accounting &amp; Financial Analysis I</td>
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<td>Managerial Accounting</td>
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</tbody>
</table>

1) What do they cover?
2) How are they related?
3) What is the appropriate order?
3 Financial Electives

- 30116 Accounting & Financial Analysis I
- 30117 Accounting & Financial Analysis II
- 30130 Financial Statement Analysis

- "Stand-alone"
- Highly complementary, thus some overlap
- Order is not overly important, but:
  - 30116 recommended prior/concurrent to 30117
  - Students taking both 30116 and 30130 more often prefer to take 30116 first
### 3 Financial Electives – cont.

<table>
<thead>
<tr>
<th>30116</th>
<th>30117</th>
<th>30130</th>
</tr>
</thead>
</table>

#### 30116 Accounting & Financial Analysis I

- Interpreting financial statement info & footnotes in detail
- Effects of accounting policies on fin statements and therefore on pricing and investment decisions
- Adjusting (“cleaning up”) fin statement data as input to applications, but doesn’t cover applications in detail [e.g., equity valuation (30130), transaction structuring (30117)]
  
Thus better to take before 30117 & 30130

- Autumn (Berger); Winter (Soffer); Spring (Soffer)
3 Financial Electives – cont.

30116  30117  30130

30117 Accounting & Financial Analysis II

- Accounting & economics of “dramatic” transformations (e.g. bankruptcy, restructurings, aq’ns, divestitures)
- Major application: building a merger model to evaluate deal feasibility
- Winter (Sapra); Spring (Ryan Ball)
3 Financial Electives – cont.

| 30116 | 30117 | 30130 |

30130 Financial Statement Analysis

- Some “clean-up” of fin stmts (a little overlap with 30116)
- Primary focus:
  - Use of financial statement & related information in performance evaluation & prediction (pro-formas)
  - Applications: Equity valuation, bankruptcy risk, etc.
- Links with 30116, 30117, & 35201-Cases in Fin Mgmt
- Autumn (Smith); Winter (Leuz); Spring (Minnis); Summer (Leuz)
2 Additional Electives

30118 Taxes and Business Strategy

- Framework to assess trade-offs between taxes & other economic forces in making business decisions

- Instead of detailed treatment of tax code, draws on ideas in finance, econ, & acctg to describe role of taxes in strategy e.g., How do taxes affect structure and value of M&A?

- Mostly stand-alone, some linkage with 30117, order not important

- Autumn (Erickson); Winter (Weiss); Spring (Weiss)
2 Additional Electives – cont.

30001 Managerial Accounting

- Use of *INTERNAL* accounting info for planning & control. E.g.:
  - Estimate & control cost of products & services
  - Make decisions regarding product mix & price
  - Measure and motivate managerial performance
- Esp useful for careers in management, consulting, mktg, opns
- Can be used for management/decision requirement
- Material not directly linked to other accounting courses
- Order not important

*Autumn (Rogers), Winter (Gerakos), Spring (Kovrijnykh)*
Faculty & Teaching Styles

- Large accounting faculty with variety of interests & teaching styles (lectures, cases, group projects, guest speakers, review sessions) → Flexibility for you

- Relate course material to real world issues & events, using Published financial statements & data

- Strong interest in both teaching & research in fin, tax, & managerial areas & close connections to other disciplines

- Bring latest theories & evidence into classroom (much of which produced here - often well before published)
BREAK
Marketing

Sanjay Dhar
James H. Lorie Professor of Marketing

The University of Chicago Booth School of Business
It All Begins with 37000 “Marketing Strategy”

• Recommend taking in Fall or Winter of first year
  ➢ Many sections offered those 2 quarters
  ➢ Course content and case-orientation will help prepare you for internship interviews (especially Consulting, Brand/Product Management, Strategic Planning, and General Management)

• Opens the door for other Marketing electives
37000 Marketing Strategy

- Market Analysis & Tools
- Marketing Mix Decisions (4 P’s)
- Implementation
Marketing Management: Marketing Tools Electives

- Consumer Behavior* 37101
- Data-Driven Marketing 37103
- Economics and Demographics of Marketing 37104
- Marketing Research* 37106

* These 2 classes include an experiential “Lab” project from sponsor companies.
Marketing Management: Marketing Mix Electives

Marketing Mix Electives (the “4 P’s”)

- Developing New Products and Services
  - 37201
- Pricing Strategies
  - 37202
- Integrated Brand Communications
  - 37203*
- Going to Market: Channel Strategies
  - 37205
Marketing Management: Implementation & Industry Electives

Implementation and Industry Electives

Laboratory in New Product & Strategy Development (Management Lab) 37701

Services Marketing 37303
Important notes for 2011-12

• New course: Digital Marketing Strategy (37301) – Autumn 2011

• Not offered (currently)
  – Consumer Behavior
  – Integrated Brand Communications
A Marketing Concentration Equips You for Many Career Options

- Marketing: Brand/Product Management, Market Research
- Management Consulting
- General Management / Business Leadership
- Strategic Planning
- Starting Your Own Business
- Running a Small Business
- Professional Services (e.g. Investment Banking)

- *Seeking a Marketing career? Take 6+ marketing courses.*
- *Seeking a career in management consulting, general management or entrepreneurship? Consider 3-4 marketing courses.*
Chicago Booth Marketing Faculty

- Terri Albert (*Digital Marketing Strategy*)
- Pradeep Chintagunta (*PhD program*)
- Sanjay Dhar (*Marketing Strategy*)
- Jean-Pierre Dubé (*Pricing*)
- Robert Fogel (*Economics & Demographics of Marketing*)
- Jonathan Frenzen (*Management Lab; Channel Strategies*)
- Ronald Goettler (*Marketing Strategy*)
- Günter Hitsch (*Data-Driven Marketing*)
- Abel Jeuland (*Marketing Strategy*)
- Ann McGill (*Marketing Strategy*)
- Art Middlebrooks (*New Product Development; Services Marketing*)
- Oleg Urminsky (*Marketing Research*)
- Ting Zhu (*New Product Development*)
Positioning Statement

Chicago Booth is the brand of marketing thinking that best prepares students to create marketplace value because it not only teaches sophisticated marketing skills it also teaches how to integrate, align and motivate organizations across functions and disciplines.
The Face of Marketing is Changing, Becoming More …

- Strategic: Driving Business Growth (not just advertising)
- Measurable and Linked to Profits
- Integrated with all other Business Functions
Chicago Booth’s Approach to Marketing Management

1. Prepares you for the near-term:
   • Exposure to state-of-the-art *qualitative* and *quantitative* marketing tools
   • Experiential learning to *apply* the theories

2. Prepares you for the long-term:
   • Focus on fundamental, research-based principles
   • Multi-disciplinary approach ensures broad exposure to other business functions
The Chicago Approach to Marketing Prepares You For a Dynamic Future

“Chicago isn’t about spoon-feeding you the answers, it’s about teaching you to ask the right questions. *In the changing environment that we live in today, you have to be nimble enough to drive different frameworks and keep ahead of the pace.* That’s what Chicago teaches you to do.”

Ann Mukherjee, Group VP Marketing, Frito-Lay North America (class of ‘94)
“From a marketing perspective, Chicago Booth’s moment in history is now, because accountability and measurability are gaining ascendancy.”

Gene Brown, VP Marketing & PR, American Suzuki Motor Corporation (class of ’95).
The Marketing Curriculum Offers Several Opportunities for Experiential Learning

Real-world problems, real-world solutions
For more than 25 years, students have tackled consulting projects in new product development, business strategy, or operational research for major corporations through the Laboratory in New Product and Strategy Development courses, commonly known as Management Lab, led by Jonathan Frenzen, clinical professor of marketing. Over the years, projects have expanded beyond the United States to China, South America, Russia, Botswana, United Arab Emirates, and Turkey. Clients have grown from consumer-product giants such as Kraft and Sherwin-Williams to include such diverse clients as the Chicago Board of Trade, Dow Chemical, and Eli Lilly, to name a few.
Chicago Booth Marketing Faculty are Outstanding Researchers and Celebrated Teachers

*Chicago Booth “students will push and challenge us. That changes me; I’ve refined my thinking over the years. Also, there’s a sense of all of us being in it together, collaborating. It’s exhilarating. When you go into the classroom, you’re pumped.”*

Ann McGill
Sears Roebuck Professor of General Management, Marketing and Behavioral Science.

“I’m trying to gain counter-intuitive insights on problems that marketers face … in selecting cases, the topics we cover in my class, even in my teaching I try to bring this kind of thinking – not the obvious, but some insight beyond the obvious.”

Sanjay Dhar,
James H. Lorie Professor of Marketing.

Winner of the Hillel Einhorn Teaching Award and McKinsey Award for Teaching Excellence
Econometrics and Statistics

Jeffrey R. Russell
Professor of Econometrics and Statistics

The University of Chicago Booth School of Business
Econometrics & Statistics at Booth

• The Chicago Booth school has a rich history in rigorous analysis of real world data.

• The Chicago Booth statistics curriculum focuses on the concepts underlying quantitative tools, the issues involved in working with real world data, and the thinking required to put those tools together with data to draw meaningful conclusions.
These days more than ever you must be able to digest and analyze large amounts of data

• How do we consolidate the vast amounts of real world data in order to make good business decisions?

• How much data do we need? Should we buy more data?

• Stats is directly useful in forecasting and making good business decisions that rely on solid, rigorous analysis of data.
Ideally you want to take stats in the Fall quarter of your first year.

Stats is a prerequisite for many courses taught at Booth. If you want to know which idea of how the world “works”, you need to look at the data!

Statistics is about understanding the real world.
Students must complete at least one stats course to fulfill requirement

- 41000 Business Statistics
- 41100 Applied Regression Analysis

• Though designed as a two course sequence either can be used to fulfill the core requirement.
• **Business Stats:**
  - Assumes no prior stat knowledge (easy high school math)
  - Teaches fundamental concepts & regression (ground up approach)

• **Regression:**
  - Assumes you know the fundamentals & focuses on regression (and some time series)
  - Regression is the most-used applied tool
## Business Statistics or Applied Regression?

### Business Statistics

**Pros:**
- Starts from scratch
- All you need for curriculum

**Cons:**
- May cover material you’ve seen.
- Less exposure to regression

### Applied Regression

**Pros:**
- Enough regression to really handle tough real word problems yourself.
- Helpful for some advanced finance classes

**Cons:**
- If you don’t know basics, you won’t get them here.
- The basics are used in the curriculum and fundamental to understanding data analysis.
• Based upon past experience, the majority of you should take Business Statistics.

• *But*, if you have had a decent stat course and can “get it back”, consider taking Applied Regression.

• Some people take Business Statistics and then Applied Regression (some overlap).
How do I know if I “have the basics”? 

• If you can answer the question (and explain) “In a large sample of iid observations what is the sampling distribution of the sample mean?” you will probably feel comfortable in regression. 

(basic topics include mean, variance, covariance, discrete models, continuous models, normal, binomial, expected value, linear combinations, sampling distributions, confidence interval, hypothesis tests)

• Look at the packet - most professors for 41000 have a complete set of slides; skim through them

• If it’s all Greek – 41000
Beyond 41000/41100

• 41201: Data Mining
  Regression on steroids – advanced regression tools, lots of marketing and economics examples.

• 41202: Analysis of Financial Time Series
  Financial applications such as Volatility modeling and Value-at-Risk calculation.

• 41203: Financial Econometrics
  Finance theory and practice intersects real world application.
  • Example: How should your portfolio be updated when volatility or correlations are changing over time?
  • Example: How to measure and forecast trading costs.
Finance

Anil K. Kashyap
Edward Eagle Brown Professor of Economics and Finance
Capital Markets / Investments

• Basic question: How do I value assets, assess and manage risk?
  – Stocks, bonds, options, project, acquisition, etc. Value?
  – How does value change? Risk management.

• Typical Career Paths
  – Sales and Trading, Money Management, Risk Management,…

• General relevance
  – Understand how markets, products, financial strategies work.
  – Become an educated consumer of financial products and services.
Corporate Finance

• Basic Question: How do I finance a company?
  – New projects, expansion, acquisition, merger…
  – Contract / incentive design for: hybrid securities, CEOs, VC, …
  – Risk management, managing financial aspects of company.

• Typical career paths
  – Investment Banking, Finance within a company, Management consulting, Start Ups, Private Equity

• General relevance
  – Understand implications of capital structure choices
  – Be an informed manager; understand financial strategy
**Finance Overview**

1. **Prerequisites: Microeconomics & Regression.**

2. **Central classes**
   - 35000 Investments (Or a more advanced investments)
   - 35200 Corporate Finance (Or a more advanced elective)
   - **Sections vary. Choose according to taste/fit.**

3. **Finance Concentration**
   - Add two finance electives from a list.

4. **Analytic Concentration**
   - Six Courses, including two advanced courses, from a list.

35001 (does not count for concentration or prerequisites)
- Terminal exposure course for non-specialists
- Introduction for those with no finance background or in a hurry
Finance Paths

Introductory Finance (35001)

Investments (35000)

Advanced Investments
- Portfolio Management (35120) (Pastor)
- Hedge Fund Management (35122)
- *Advanced Investments (35150) (Cochrane)
- *Empirical Asset Pricing (35151) (Moskowitz)
- *Fama (35901); projects (35908)
- *Ph.D. sequence (35904/35905/35907/35912)

Financial Instruments (35100)

Advanced Instruments
- Futures, Forwards, Options, Swaps (35101)
- Fixed Income and Asset Pricing (35130)
- FE: Cases in Risk Management (35131) (Veronesi)
- FE: Math Models of Option Pricing (35132)(Veronesi)
- Structured Finance and Insurance (35152)

Corporate Finance (35200)

Advanced Corporate
- Cases in Financial Management (35201)
- Financial Markets and Financial Institutions (35202)(Diamond)
- Cases in Corporate Control and Governance (35205)
- Advanced Topics in Corporate Finance (35206)
- International Corporate Finance (35210) (Rajan)
- Behavioral and Institutional Finance (35215) (Vishny)
- The Analytics of Financial Crises (35211) (Kashyap)
- Ph.D. sequence “Theory of decisions II III” (35902/35903)

STOP

Related
- Entrepreneurial Finance and Private Equity (34101)
- Financial Statement Analysis (30130)
- Financial Time Series / Financial Econometrics (41202/41203)
- Tools: Managerial Decision Modeling (36106)

Finance Concentration (4)
Analytic Finance (6)

The University of Chicago Booth School of Business
Beyond 35000: Capital Markets Electives

- Derivatives and Fixed Income
  - Financial Instruments (35100) -- the entry point for the rest
  - Futures, Forwards, Options, Swaps (35101)
  - Fixed Income and Asset Pricing (35130)
  - Financial Engineering: Cases in Risk Management (35131) (Veronesi)
  - Financial Engineering: Math Models of Option Pricing (35132) (Veronesi)
  - Structured Finance and Insurance (35152)
- Advanced Investments
  - Portfolio Management (35120) (Pastor)
  - Hedge Fund Management (35122)
  - Advanced Investments (35150) (Cochrane)
  - Empirical Asset Pricing (35151) (Moskowitz)
  - “Theory of financial decisions” (35901); projects (35908) (Fama)
  - Ph.D. sequence (35904/35905/35907/35912)
Beyond 35200: Corporate Finance Electives

- Cases in Financial Management (35201)
- Financial Markets and Financial Institutions (35202) (Diamond)
- Cases in Corporate Control and Governance (35205)
- Advanced Topics in Corporate Finance (35206)
- International Corporate Finance (35210) (Rajan)
- The Analytics of Financial Crises (35211) (Kashyap)
- Behavioral and Institutional Finance (35215) (Vishny)
- Entrepreneurial Finance and Private Equity (34101)
- Financial Statement Analysis (30130)
- Cases in Risk Management (35131)
- Ph.D. sequence “Theory of decisions II III” (35902/35903)
FAQ

• Q: Do I really need to take the prerequisites?

A: Talk to faculty, strict prereqs exist for good reasons. You should have taken the courses somewhere, & don’t complain! Decide if you can brush up as you go, or need it laid out systematically.

• Q: Should I take microeconomics & regression before investments 35000?

A: Yes, it’s a prereq. Regression is especially important.

• Q: Do I have to take investments 35000 before I take corporate 35200?

A: Yes, it’s a prereq, usually strict. Talk to faculty.

• Q: I have CFA / work experience. Can I skip 35000 / 35200?

A: Maybe, if you’re ready. You do have to take a more advanced investments/corporate

• Q: Is 41100 Statistics enough, or do I have to take 41100 regression?

A: 41000 has enough regression for investments/corporate, but more is better.

• Q: I’m going to be doing a lot of recruiting the quarter when I take 35000/35200. Do I really have to show up to class?

A: YES
Bottom Line

• Use the flexibility of the curriculum
• Read course descriptions carefully
  – Don’t put too much weight on word of mouth
  – Think about the difference between the course and the instructor
  – Talk to faculty
  – Find the correct, current course information
Managerial and Organizational Behavior

Ayelet Fishbach
Professor of Behavioral Science and Marketing

The University of Chicago Booth School of Business
About Chicago Booth

We are the University of Chicago Booth School of Business. Since 1898, we have produced ideas and leaders that shape the world of business. Our rigorous, discipline-based approach to business education transforms our students into confident, effective, respected business leaders prepared to face the toughest challenges.

We are proud to claim:

- an unmatched faculty
- degree and open enrollment programs offered on three continents
- a global body of nearly 42,000 accomplished alumni
- strong and growing corporate relationships that provide a wealth of lifelong career opportunities.

As part of the world-renowned University of Chicago, we share the university's core values that shape our distinctive intellectual culture. At Chicago Booth, we constantly question and test ideas, and seek proof. This extraordinarily effective approach to business leads to new ideas and innovative solutions. Six of our faculty members have won Nobel Prizes for these ideas - a record no other business school has matched.

This same culture transforms our graduates into business thinkers superbly equipped to analyze and solve the greatest business challenges. That's how:

- James Kilts, '74, turned around lagging brands like Nabisco, Oscar Mayer, Kraft, and Gillette.
- Jerry W. Levin, '68, brought Coleman/American Products out of bankruptcy months earlier than scheduled.
- Joseph Neubauer, '65, CEO of Aramark, was recognized by Business Week for achieving a strong bottom line while adhering to high ethical standards.
- Judson Green, '76, CEO of NAVTEQ, successfully took the company beyond its core navigation business and transformed it into a leading supplier of digital mapping systems.

This is just a tiny sample. Browse our site, and learn more about what Chicago Booth has to offer.
Discipline-Based Courses

• Economics
  – Micro, Macro, Finance, Strategy, Marketing
• Psychology
  – Organizational Behavior, Marketing, Strategy, Finance
Center for Decision Research

• Founded in 1977
Management Requirement

• One for *Decisions*

38002: Managerial Decision Making
  – How organizations and the people in them make decisions

• One of two for *People*

38001: Managing in Organizations
  – How people in organizations relate to one another and to their work

38003: Power and Influence in Organizations
  – How people use power and persuasion to get things done
Electives

(38103) Strategies and Processes of Negotiation
(38105) Advanced Negotiations

(38110) The Practice of Leadership in Business
(38111) Theories of Leadership
(38113) Cultural Currency
(38114) A Guide to Business Ethics

(38118) Effective Management of Groups and Teams
  – not offered in ’11-’12
Managerial and Organizational Behavior Concentrations

• Managerial and Organizational Behavior:
  – Any four M.O.B. courses. All M.O.B. courses + the LEAD lab (31702) are eligible.
Managerial and Organizational Behavior: Some Combinations

• Investing (Behavioral Finance):
  – M.O.B + Finance

• Marketing (Consumer Behavior):
  – M.O.B. + Marketing

• Management Consulting:
  – M.O.B + Strategy

• Entrepreneurship:
  – M.O.B. + entrepreneurship …
Entrepreneurship

Ellen Rudnick
Executive Director, Polsky Center for Entrepreneurship and Clinical Professor of Entrepreneurship
Entrepreneurship at Chicago Booth

Combination of classroom and experiential courses:

• Students apply classroom learning to real-world situations through lab classes, competitions, and internships within the entrepreneurial community.

Diverse faculty comprises researchers and practitioners:

• 20 faculty members teach at least one entrepreneurship course; 8 are devoted full-time to entrepreneurship
Who Should Take Entrepreneurship Courses?

Students who want to:

• Start, buy and/or manage entrepreneurial businesses
• Invest in start-ups
• Consult to entrepreneurial businesses
• Provide professional services to entrepreneurial businesses
Classroom Courses

**Entrepreneurial Finance & Private Equity (34101):**
- How do you finance a start-up or buyout? How do you value an entrepreneurial venture?
- Steve Kaplan, Scott Meadow, Adair Morse, Luigi Zingales

**New Venture Strategy (34102):**
- How do you evaluate a start-up/new venture?
- Gregory Bunch, Jim Schrager

**Building The New Venture (34103):**
- What are the challenges of management, sales/marketing, and operations at different lifecycle stages for new businesses?
- Waverly Deutsch, Craig Wortmann

**Commercializing Innovation (34106):**
- How do you form, acquire, and grow new ventures? (Investor perspective.)
- Scott Meadow

**Global Entrepreneurial Finance**
- How to think about opportunities for starting a business/raising expansion finance anywhere in the world and how to identify and understand global investment opportunities in entrepreneurial activities.
- Adair Morse

**Entrepreneurial Selling (34111):**
- How to acquire customers, use selling skills in different contexts, tell powerful stories, manage the entrepreneurial sales process, and more.
- Craig Wortmann

**Buyouts (34301):**
- Hybrid Law and Business course with a legal perspective on corporate Buyouts.
- Scott Davis
Classroom Courses

Building Internet Start-ups (34201):

• Gain an understanding of entrepreneurship in the technology space, focus on concepts critical to identifying viable business opportunities, growing an enterprise, and finding a niche worthy of new business creation.

• Brad Keywell, Eric Lefkofsky

Technology Strategy (39101):

• Learn how to manage a business in which technology plays a significant role as well as those interested in consulting and financial services that evaluate innovation challenges.

• Steven Kahl

Venture Capital & Private Equity Law (71401 - Law School):

• Tax, legal, and economic principles applicable to a series of interesting, complex, current entrepreneurial transactions, utilizing venture capital or private equity financing.

• Donald Rocap

Developing New Products and Services (37201)

• Best practices in new product development, focusing on consumer and business-to-business products and services.

• Arthur Middlebrooks, Ting Zhu

Innovation in Energy Markets (42120)

• Learn about the dynamic opportunities that exist in the ongoing transformation of the global energy industry.

• Travis Bradford
Experiential Courses

New Venture Challenge (34104):

- Chicago Booth’s premier business competition; $75,000+ in prize money awarded annually
- Receive feedback from VCs, private investors, and entrepreneurs
- Course credit with Steve Kaplan and Ellen Rudnick
- Since its start in 1996: the NVC has awarded $750,000 and helped launch more than 65 companies, which have gone on to raise $185 million in funding and create over 1,000 jobs.

- Information Session: November 1, 6-8 p.m. in HC

Private Equity/Venture Capital Lab (34702):

- Complete an internship at a private equity firm, along with a classroom course.

  Jason Heltzer, Ira Weiss

Entrepreneurial Internship Program (34105):

- Subsidized summer internship in start-up or VC firm, receive course credit the following fall

  Ellen Rudnick, Ira Weiss
Experiential Courses

New Venture and Small Enterprise Lab (34701):

- Student groups work on a strategic consulting project with local start-up company.

  - Linda Darragh

New Social Ventures (34115):

- Develop an idea and business plan for an innovative, startup social organization; compete for prizes at the end of the quarter.

  - Robert Gertner

Clean Tech Lab (34706):

- Gain a strong foundation in clean technology through hands-on experience (consulting to a leading firm or research partner), complemented by in-class lectures and discussion.

  - Jason Blumberg

Social Entrepreneurship Lab (34110):

- Learning about different social venture business models and industries in class and then apply these theories by assisting a local social enterprise on a specific challenge.

  - Linda Darragh

Real Estate Lab (34704):

- Student teams compete to present the best redevelopment proposal for a site owned by the City of Chicago.

  - Joseph Pagliari
Suggested Courses for Career Paths

Future Entrepreneurs:

• Entrepreneurial Finance, New Venture Strategy, Building the New Venture, Technology Strategy, Developing New Products and Services, Entrepreneurial Selling

• New Venture Challenge, New Venture Lab

Future Investors:

• Entrepreneurial Finance, New Venture Strategy, Commercializing Innovation, Technology Strategy, Venture Capital and Private Equity Law

• New Venture Challenge, Private Equity Lab
Summary

• Innovative curriculum
• Excellent instructors
• Exciting experiential programs
• One of the top entrepreneurship programs at one of the best b-schools