

SIMON FRASER UNIVERSITY

S.87-58

*As Amended
by Senate
Dec 14/87*

MEMORANDUM

To: Senate

From: J.W.G. Ivany
Chair, SCAP

Subject: Faculty of Business Administration
Reference SCUS 87-38, SCAP 87-22

Date: November 19, 1987

Action undertaken by the Senate Committee on Academic Planning Senate Committee on Undergraduate Studies gives rise to the following motions:

Motion 1: that Senate approve and recommend approval to the Board of Governors as set out in S.87-58 the following new courses:

BUS. 416	Investment Analysis and Design
BUS. 452	Seminar in Strategic Analysis

Motion 2: that Senate approve the revision in the requirements for the Policy Analysis area of concentration (formerly Business, Government and Society), and that Bus. 478 become a required core course for the undergrad. Bus. Degree

FOR INFORMATION

Acting under delegated authority, SCUS has approved the changes in prerequisites for BUS. 487 and 488, change in vector for BUS. 488 and the restructure of the work/study semesters in the Co-op Program.

SENATE COMMITTEE ON UNDERGRADUATE STUDIES

SCUS 87-38

NEW COURSE PROPOSAL FORM

Calendar Information

Department Bus. Admin.

Abbreviation Code: BUS Course Number: 416 Credit Hours: 3 Vector: 0/2/1

Title of Course: Investment Analysis and Design

Calendar Description of Course: Analysis and design of investment contracts in a portfolio setting. Standard investment media and markets (stocks and bonds) will be addressed, as will derivative securities such as options and futures contracts.

Nature of Course Seminar/lab

Prerequisites (or special instructions): BUS 315

What course (courses), if any, is being dropped from the calendar if this course is approved: None

2. Scheduling

How frequently will the course be offered? 4-6 times, depending on demand and staffing

Semester in which the course will first be offered? 88-3

Which of your present faculty would be available to make the proposed offering possible? Grauer, Heaney, Herzog

Objectives of the Course

See attached sheet

4. Budgetary and Space Requirements (for information only)

What additional resources will be required in the following areas:

Faculty None

Staff None

Library None. Library holdings on hand are adequate with routine updating

Audio Visual None

Space Will require use of the microcomputer lab and one seminar room with a seating capacity of up to 20.


Equipment None. Will use existing microcomputers, but may require additional software.

5. Approval

Date: _____

Department Chairman

Dean



Chairman, SCUS

US 73-34b:- (When completing this form, for instructions see Memorandum SCUS 73-34a. Attach course outline).

ATTACHMENT TO BUS 416 COURSE PROPOSAL

Objectives of the Course

Finance, on both a theoretical and practical level, is in the throes of revolution -- a revolution which has been under way for nearly thirty years and which shows no signs of abating. Because of this and because of limited staffing, we have been reluctant to institutionalize new courses until their long term implications have been clearly thought through. As a result, our undergraduate course offerings are far fewer than those at other Business Schools in North America. Currently, we offer only three courses, Business Finance, Investments, and Financial Management. Most universities offer from six to eight courses in the discipline and some offer as many as twelve.

The proposed course would raise our undergraduate offerings to four and it would provide students with advanced work in investments to match the advanced work now available in financial management. In order to refine the offering, we have given four selected topics courses since the Spring 1986 semester. Our most recent view of what ought to be covered is reflected in the Course Outline for BUS 498-3 for the Fall 1987 semester. This outline, together with the outlines from our previous offerings, is attached.

SIMON FRASER UNIVERSITY
Faculty of Business Administration

COURSE OUTLINE

COURSE: Business Administration 416-3

SEMESTER: Fall, 1988

TITLE: Advanced Investment Analysis

INSTRUCTOR: Faculty

Outline

This course provides an introduction to the theory of option valuation and to the analysis of option strategies applicable to portfolio risk management. The first half of the course, prior to the midterm, will be devoted to theory, while the second half will stress applications with the aid of micro computer programs.

Required Texts Ritchken, Peter Options: Theory, Strategy and Applications. Scott, Foresman and Co., Glenview Illinois.

 Turnbull, Stuart M. Option Valuation Holt, Rinehart and Winston of Canada Ltd.

Exams

There will be weekly assignments, a midterm and a final exam.

Timetable (all chapter references are to Ritchker)

<u>Week</u>	<u>Topic</u>	<u>Chapter</u>
1	Nature and Uses of Option Contracts	1,2
2	Option Strategies	3
3	Options and Arbitrage	4
4	Options and Complete Markets	5
5	Stock price processes	6
6	Binomial Option Pricing Model	9
7	Black Scholer Option Pricing Model	8
MID TERM		
8	Application of Black Scholer Model & Index Options	7,10
9	Forward and Futures Contracts & their Options	11
10	Option & Hedging of Interest Rate Risk	12,13
11	Foreign Currency Options	15
12	Options & the Valuation of Corporate Liabilities	14
13	Review	

The FBAUCC has approved the following proposals from the Business, Government, and Society Area:

1. The existing business policy course (Bus 478, Seminar in Administrative Policy) become a required core course for the undergraduate Business degree.

Rationale: A business policy/strategic management course serves as a useful integrative capstone to an undergraduate business program. Typical university business programs in Canada and the United States require one or more policy courses - one in business policy and frequently one in public policy - as core components of an undergraduate business degree. Currently, the Faculty of Business Administration has no such requirements for the BBA degree. The lack of a core business policy course is perceived by the Faculty as a major weakness in the curriculum and there have been growing pressures within the FBA over the past few years to correct this deficiency.

A Business Policy course is used in Business and Management curricula as mechanism to achieve the following objectives:

1. to integrate the information students have gained in their prior functionally-oriented course work into a comprehensive body of knowledge.
2. to develop a broad systems perspective that is useful in dealing with the strategic issues and decisions faced by organizations operating within complex environments.
3. to develop an understanding of the role of a general manager within an organization and how this role differs from that of a functional specialist.
4. to develop specific skills (including diagnostic, decision-making, oral and written communication, and interpersonal skills) of value to managerial and professional employees in all kinds of organizations.

It is perceived that Bus 478 ought to become part of the core curriculum so that our Business program will meet commonly accepted standards of disciplinary content in North American schools of Business.

Revised Calendar entry:

CORE COURSES IN BUSINESS ADMINISTRATION

All Business Administration major, joint major, honors, or joint honors students must complete the upper division core courses listed below:

- Bus 307-3 Managerial Economics*
- (or Econ 301-5 Intermediate Microeconomic Theory*)
- Bus 312-4 Business Finance
- Bus 328-3 Accounting for Management
- (or both Bus 252-3 Financial Accounting II and
Bus 324-3 Managerial Accounting I)
- Bus 336-4 Management Science
- Bus 343-3 Introduction to Marketing
- Bus 372-3 Micro Perspectives on Organizations
- (or Bus 374-3 Macro Perspectives on Organizations)
- Bus 478-3 Seminar in Administrative Policy
- Buec 333-3 Elementary Economic and Business Statistics II

*Students in joint major or joint honors programs in Business Administration and Economics must take Econ 301-5, not Bus 307-3.

2. An upgrading of our Business Policy offerings by the addition of a new course in Strategic Analysis (Bus 452).

Rationale: Currently, we offer only one course in Business Policy/Strategic Management (Bus 478, Seminar in Administrative Policy), which is an introductory/survey course in nature. A single course in this area cannot do justice to the growing field of strategic business planning. A second course will provide a vehicle for detailed examination of some of the many analytical techniques now being employed by scholars and practitioners in this discipline. A detailed course proposal and outline is attached.

It should be noted that the proposed course (Bus 452) has been offered as a Special Topics course by the BGS Area for the past four years. It has been well-received and the Area believes that it should now become part of the regular curriculum.

3. Change in name of the area from Business, Government, and Society (BGS) to **Policy Analysis**.

Rationale: Members of BGS desire to change the area's name to something more descriptive of the area's purpose. The best rationale for the existence of BGS - and the existence of analogous divisions within most business faculties - is to provide courses in **integrative policy analysis**. Most of the area's course offerings can be divided into one of the following categories: business policy (the study of internal strategic decisions made by managers) and public policy (the study of the external constraints on business decisions imposed by the market, legal, and political environments).

Secondly, the Faculty of Business Administration is well aware of the confusion generated by using the acronym BGS to describe two different programs in two different faculties. BGS is used by the Business, Government, and Society area in Business Administration and the Bachelor of General Studies program in the Faculty of Arts. We seek to eliminate this confusion.

4. Revision of requirements for a concentration in Policy Analysis

Rationale: The area wishes to rationalize the current cumbersome requirements for a student wishing to select a policy-related concentration. The present requirements for obtaining a BGS

concentration have not been revised for at least nine years and they do not reflect current course offerings, nor do they make sense pedagogically.

The present requirements for a BGS concentration are as follows:

Required courses: Bus 303-3 Business in Society
Buec 391-3 Law in the Economic Society

In addition, at least 9 semester hours taken from the following courses:

Bus 374-3 Macro Perspectives on Organizations
Buec 396-3 The Structure of Industry
Buec 397-5 Government and Business
Bus 403-3 Seminar in Business and Society
Buec 495-3 Legal Aspects of Economic Relationships
Buec 497-5 Public Policy Environment of Business

We propose the following requirements for a concentration in Policy Analysis:

Required Courses: Buec 397-5 Government and Business
Bus 478-3 Seminar in Administrative Policy
Bus 452-3 Seminar in Strategic Analysis

In addition, any two of the following, at least one of which must be 400 level:

Bus 303-3 Business in Society
Bus 346-3 International Business
Buec 391-3 Law in the Economic Society
Buec 396-3 The Structure of Industry
Bus 403-3 Seminar in Business and Society
Buec 495-3 Legal Aspects of Economic Relationships
Buec 497-5 Public Policy Environment of Business

SENATE COMMITTEE ON UNDERGRADUATE STUDIES

NEW COURSE PROPOSAL FORM

1. Calendar Information

Department Business Administration

Abbreviation Code: BUS Course Number: 452 Credit Hours: 3 Vector: Seminar 0-0-3

Title of Course: Seminar in Advanced Strategic Analysis

Calendar Description of Course:

This course is a sequel to BUS 478. It examines specific strategic analysis tools in detail. The course requires students to engage in a major strategic analysis, as well as case analyses.

Nature of Course

Prerequisites (or special instructions): BUS 478 or permission of the instructor.

What course (courses), if any, is being dropped from the calendar if this course is approved: none.

2. Scheduling

How frequently will the course be offered? once a year

Semester in which the course will first be offered? 1988-3

Which of your present faculty would be available to make the proposed offering possible? C. Smart, S. Globerman, A. Vining

3. Objectives of the Course

-see attached

4. Budgetary and Space Requirements (for information only)

What additional resources will be required in the following areas:

Faculty

Staff

Library

Audio Visual

Space

Equipment

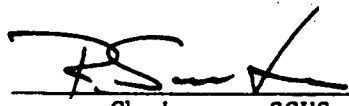
(This course formalizes a special topics course that has been offered for several years. It entails no incremental resources.)

5. Approval

Date: _____

Department Chairman

Dean



Chairman, SCUS

SCUS 73-34b:- (When completing this form, for instructions see Memorandum SCUS 73-34a. Attach course outline).

COURSE OBJECTIVES

The seminar presents advanced techniques for in-depth analysis of industries and competitors, and for formulating a competitive strategy. It builds on the concepts of Business Policy developed in Bus. 478. The course draws on contemporary research in business strategy and industrial economics.

The course will offer students an opportunity to master more advanced strategic analytical techniques and to examine the problems of competitive strategy in a rich array of industry settings. Specifically, three conceptual building blocks in industry and competitive analysis will be discussed: general analytical techniques that are applicable to any industry; generic industry structural settings; and recurring types of strategic decisions.

The seminar focusses on the particular problems of competing in a number of generic industry settings. The major sections of the course will examine the following types of industry environments: mature industries; fragmented industries; emerging industries; declining industries; and global industries. Analytical techniques will be discussed that are appropriate to each setting. The characteristic strategic issues of each industry type will be identified and the strategies appropriate to competing in them will be examined.

The course also will treat each major type of strategic decision that occurs in the context of an industry. Strategic issues examined include: entry through acquisition or internal development; exit; vertical and horizontal integration; and joint ventures.

The course employs cases drawn from a variety of industries, selected to illustrate the range of industry structural settings and strategic decisions faced by managers.

The analysis of industries and competitors is an important part of strategy formulation. This course will appeal to those students who wish to deepen skills in competitive analysis. The course is particularly targeted to students interested in general management, strategic planning, and marketing.

Business Administration 452
Readings and Assignments

Instructor: C.F. Smart
Office: AQ 6181
Phone: 291-3710

Office Hours: Tuesday
10:00-11:30
Thursday
10:00-11:30

Texts: M. Porter, Competitive Strategy, Free Press 1980
M. Porter, Cases in Competitive Strategy, Free Press 1983

- Jan 09 Introduction
 Reading: Chapter 1, PP. 3-33
- Jan 16 Industry Structural Analysis
 Reading: Chapter 2, PP. 34-46
 Case: Note on the Electronic Component
 Distribution Industry, PP. 3-18
 Raytheon Company, PP. 19-30
- Jan 23 Industry Structural Analysis
 Reading: Chapter 3, PP. 47-74
 *Case: Cramer Electronics, Inc., PP. 31-48
- Jan 30 Industry Structural Analysis
 Reading: Chapter 9, PP. 191-214
 Case: The Oil Tanker Shipping Industry, PP. 49-72
- Feb 06 Competitor Analysis
 Reading; Chapter 4, PP. 75-87
 *Case: General Electric/Westinghouse, PP. 102-118
- Feb 13 Competitor Analysis
 Reading: Chapter 5, PP. 88-107
 Case: General Electric/Westinghouse (cont.)
- Feb 20 Strategic Groups
 Reading: Chapter 7, PP. 126-155
 *Case: The U.S. Bicycle Industry in 1974, PP. 121-140
- Feb 27 Entry into New Business
 Reading: Chapter 16, PP. 139-360
 Case: The Disposable Diaper Industry in 1974, PP. 143-167
- Mar 06 Industry Evolution and Transition
 Reading: Chapter 8, PP. 156-188
 Case: Hospital Affiliates International, and the
 Hospital Management Industry, P. 247-274
- Mar 13 Industry Evolution and Transition
 Reading: Chapter 11, PP. 237-253
 *Case: Hospital Affiliates (cont.)

- Mar 20 Competitive Strategy in Emerging Industries
Reading: Chapter 10, PP. 215-236
Case: Sierra Log Homes, PP. 373-394
- Mar 27 Competitive Strategy in Declining Industries
Reading: Chapter 12, PP. 254-274
*Case: The Baby Foods Industry in 1965, PP. 408-418
- Apr 03 Competition in Global Industries
Reading: Chapter 13, PP. 275-299
Case: The U.S. T.V. Set Market, Prewar to 1970, PP. 449-481

Evaluation

Final grades will be assigned on the following basis:

	<u>Marks</u>
Written cases (5 cases, 25 marks each)	125
Class participation	25
Total	<u>150</u>

Case Analyses and Class Participation

Students are required to prepare a series of focus questions for each case discussed in class. Five of these cases will be marked and they comprise the basis of evaluation in the course. Written cases should be concise, incisive, and literate and may not exceed five pages in length.

Case Assignments:

- Jan 16 Electronic Component Distribution Industry
Should Raytheon enter the industry? What would be its best entry strategy? (Prepare for discussion).
- Jan 23 Electronic Component Distribution Industry
Identify the elements of Cramer's strategy for competing in its industry. What assumptions are implicit in Cramer's strategy? (Written case).
- Jan 30 Oil Tanker Shipping Industry
Provide a structural analysis of the oil tanker shipping industry. (Discussion).
- Feb 06 General Electric/Westinghouse in Large Turbine Generators
Conduct structural analysis of the large turbine generator industry as it existed in 1963. (Written case).
- Feb 13 General Electric/Westinghouse
In class case (no preparation required)

Feb 20 U.S. Bicycle Industry

What are the relevant strategic groups in the bicycle industry? What position on the strategic group map would you expect to be most profitable? (Written).

Feb. 27 Disposable Diaper Industry

What are the entry barriers into the disposable diaper industry? (Discussion).

Mar 06 The Hospital Management Industry

Analyze the structure of the hospital management industry with particular emphasis on the management contract portion of the business. (Discussion).

Mar 13 The Hospital Management Industry

How should Hospital Affiliates International (HAI) react to structural changes in the industry? Recommend a strategy for the firm. (Written).

Mar 20 The Log Home Industry

What are the characteristics/problems that are impeding the development of the log home industry? (Discussion).

Mar 28 Baby Foods Industry

Conduct an industry and competitor analysis for the baby food industry. (Written case).

FOR INFORMATION

The FBAUCC has approved the following proposals from the Organizational Behaviour Area regarding prerequisite changes to Bus 487 and Bus 488:

Bus 487 Prerequisites: **from** Bus 372; 60 credit hours **to** permission of the Faculty; 75 credit hours

Bus 488 Prerequisites: **from** Bus 371, Bus 372, Bus 374, or Bus 387 **to** Permission of the Faculty; 75 credit hours

Rationale: At a recent meeting the OB group discussed the necessity for 300 level prerequisites for their 400 level courses. " A consensus emerged that the specific 300 level course prerequisites for Bus 487 and Bus 488 could easily be dropped. While one would normally expect a 400 level course to build upon prior courses, it must be remembered that we operate what is essentially a two year program. As such, some of our 400 level courses, while very specialized, do not necessarily build on prior course work. This is the case with Bus 487 and Bus 488, two courses in the Organizational Development stream.

The FBAUCC also approved a correction to the Calendar concerning a change in Vector for Bus 488:

Bus 488 Change in vector: **from** 2-0-1 **to** 0-0-3

Rationale: The OB Area points out that the current Calendar description of Bus 488 lecture/tutorial is incorrect. This course has always been taught as a seminar. Since Bus 488 (and the companion course Bus 487) is primarily experiential in nature, a lecture format is inappropriate to achieve course objectives.

SENATE COMMITTEE ON UNDERGRADUATE STUDIES

FOR INFORMATION

NEW COURSE PROPOSAL FORM

1. Calendar Information

Department Business Administration
Credit Hours: 3 Vector: 0-0-3

Abbreviation Code: BUS Course Number: 488

Title of Course: Human Relations in Business

Calendar Description of Course:

Nature of Course Seminar

Prerequisites (or special instructions):

Permission of the Faculty; 75 credit hours

What course (courses), if any, is being dropped from the calendar if this course is approved:

2. Scheduling

How frequently will the course be offered?

Semester in which the course will first be offered?

Which of your present faculty would be available to make the proposed offering possible?

3. Objectives of the Course

4. Budgetary and Space Requirements (for information only)

What additional resources will be required in the following areas:

Faculty

Staff

Library

Audio Visual

Space

Equipment

5. Approval

Date: _____

Department Chairman

Dean

Chairman, SCUS

CUS 73-34b:- (When completing this form, for instructions see Memorandum SCUS 73-34a. Attach course outline).

FOR INFORMATION

SENATE COMMITTEE ON UNDERGRADUATE STUDIES

NEW COURSE PROPOSAL FORM

Calendar Information

Department Business Administration

Abbreviation Code: BUS Course Number: 487 Credit Hours: 3 Vector: 0-0-3

Title of Course: Organizational Development and Change

Calendar Description of Course:

Nature of Course Seminar

Prerequisites (or special instructions):

Permission of the Faculty; 75 credit hours

What course (courses), if any, is being dropped from the calendar if this course is approved:

2. Scheduling

How frequently will the course be offered?

Semester in which the course will first be offered?

Which of your present faculty would be available to make the proposed offering possible?

Objectives of the Course

4. Budgetary and Space Requirements (for information only)

What additional resources will be required in the following areas:

Faculty

Staff

Library

Audio Visual

Space

Equipment

5. Approval

Date: _____

Department Chairman

Dean

Chairman, SCUS

US 73-34b:- (When completing this form, for instructions see Memorandum SCUS 73-34a. Attach course outline).

FOR INFORMATION Faculty of Business Administration Co-op Program

Currently the University Calendar describes in detail only the Accounting Co-op Education option within the Faculty of Business Administration. The Co-op Program requests the following changes:

1. When planning for the 1988/89 Calendar update we would like to have a statement that all areas of concentration in the Faculty of Business Administration are available on the Co-op Education Model. The program should be called **Business Administration Co-op Education Program** with options available in Chartered Accountancy, General Accountancy, Marketing, Finance, Human Resource Management, Management Science/Management Information Systems, and Policy Analysis.
2. The Co-op students in the Business Administration program currently have to complete 5 practicums before they can receive a Co-operative Education designation on their transcript and degrees. We propose that the Chartered Accounting option, due to the unique employment opportunities (one employer throughout the program) and the profession's specific training requirements, will maintain its requirements of five practicums.

For all other options available in the Business Administration Co-op Education program, we recommend that **four** practicums be required of students rather than five. The rationale for this change is as follows:

- a) Work experience in the Co-op Program usually is short term and project oriented. Students are most likely to change employer from one practicum to another. While the placement process for each practicum is very educational and useful to the students, it is a very time consuming process. We would like to reduce some of these administrative "costs".
- b) Employers, in general, are less committed to long term training of the co-op students than are the C.A. Firm employers. Students' immediate productivity is very much a concern of the co-op employers. We perceive that market demand can be served equally well if Non-Accounting Co-op students complete only four work semesters.

FOR INFORMATION

When a student starts the program with already 60 - 75 credit hours, it is awkward to insist that he or she must have at least five practicums and still be able to complete the co-op program with a study semester rather than a work semester. With four practicums, the Co-op student co-op work experience will still constitute 50% of the time spent enrolled the academic program. This is important since we intend to have a fully accreditable Co-op Education program.

The change in practicum requirements from five semesters to four semesters for all Co-op students in Business Administration other than those in the C.A. option is consistent with requirements in other departments.