NYU Stern & Seoul National University

Doing Business in Korea
B86.3306.0A
Seoul, Korea
May 2007

Dates:
- Tuesday, April 17, 2007 (5:00-5:45 p.m.)
  o Mandatory Pre-Departure Class Session in NYC
- Wednesday, May 2, 2007
  o 1st Assignment Due in NYC
- Saturday, May 12, 2007 – Friday, May 25, 2007
  o 13-day program in Korea, including 10 days of academic and 2 days of non-academic programming (and one 1 free day.)

Course Description:
This course gives an overview of doing business in Korea, including an introduction to the Korean economy, history and culture. Lectures and seminars on a wide range of functional areas draw out some differences between this region and other regions, particularly North America. The course structure includes lectures, case studies, presentations and discussions led by Seoul National University faculty experts; visits to companies; faculty debriefing on visits and speakers; final project; and local cultural events. Students will receive 3 credits from Stern for their participation in the course.

Course Materials
Materials will consist of articles and case studies which will be provided to students in advance of the course start date via e-mail and/or as hard copies through Stern.

Cases to be covered in the DBI in Korea course will be distributed to each student at the Pre-Departure Meeting at the Stern School of Business, NYU on April 17, 2007.

Study Groups
Pre-assigned before Pre-Departure meeting in groups of 4-5 students.

Mandatory Pre-Departure Class Session:
A mandatory pre-departure class session will be held on Tuesday, April 17, 2007 from 5:00-5:45 p.m. at Stern to meet in study groups, review logistics, and discuss pre-trip work. Room for session will be emailed to enrolled students prior to date.

Course Requirements and Grading:
The course is graded on a Pass/Fail basis. Students must receive the equivalent of a grade of “B” or better to pass the course. Failure to meet attendance and deliverable requirements will result in a failing grade.
Seoul National University professors will grade the students based on the following:

20% first assignment (pre-departure project)
50% second assignment
20% third assignment
10% class participation and class attendance*

*Attendance and participation are mandatory at all classroom lectures, presentations, and corporate visits. Failure to attend any of these sessions will result in a failing grade.

Access to computer labs, library and research facilities:
During the program, students will have full access to all facilities including computer labs, the School’s wireless network, library and library databases. The School will ensure students have access to computers during the evenings to allow for completion of project work.

First Assignment: Pre-Departure Project - Briefing Book
Due - May 2, 2007 (before arrival in Seoul, Korea)

Description:
As part of the preparation for Doing Business in Korea, the first assignment will be the creation of a briefing book containing useful information on the business, economical and social environment of Korea.

To create the briefing book, each study group will be assigned and must prepare a report on a specific topic (please refer to the Guidelines section below) and send the report by email to the faculty at SNU (contact information provided to enrolled students) and to the International Programs Office (intl@stern.nyu.edu) before Wednesday, May 2, 2007. According to the size of the class, some topics may be covered by more than one study group.

The complete Briefing Book will then be posted on Friday, May 4, 2007 through the International Programs Office on the Stern Blackboard site for this course. Students will read the book before arrival in Korea.

1. Format:
   - Group size: 4-5
   - Length: 7 pages maximum (no less than 5)
   - Font: 12 point Arial, single spaced with an extra space between each paragraph.
   - Each group can attach additional items such as tables, charts, suggested websites and readings and so forth that do not count in the suggested length.
   - Do not use any headers or footers.
   - Do not insert any page numbers.
   - Organization of the report. The report should have 3 major sections:
2. Topics: Please answer all of the questions in the selected topic area.

1. Korean Political System
   a) Structure of the national government. The ministries and their role.
   b) Main political parties and outlook for the 2007 presidential election. Positions of different parties and key players on economic and other governmental policy issues.
   c) The political relationship between North Korea and South Korea.
   d) The economic relationship between North Korea and South Korea.

2. Korean Social Configuration
   a) Korea’s social structure: Demographics, changes in the last five years, forecasts for the next 20 years. Implications of changing demographics.
   c) Geographic facts: Land area (square miles), persons per square mile, role of agriculture and rural areas.

3. Korean Macroeconomic Situation
   a) Evolution of main economic indicators in the last 15 years: GDP, economic activity, construction activity, industrial activity, CPI, unemployment, real investment.
   c) Exchange rate. The currency regime during the 90’s. The current regime and the Central Bank role. Inflation.
   d) IMF. Past and present relationship between Korea and the International Monetary Fund.

4. Korean External Sector
   a) Korea’s trade analysis. Major trading partners. Exports and imports composition (main countries and products). How do international prices affect the trade balance of the country?
   b) Korea’s balance of payment analysis. Evolution of international reserves, foreign direct investment, trade in goods, and trade in services, current account balance, and so forth, between 1990 and 2005.
   c) Trade policy and regulations.
   d) Korea-US Free Trade Agreement

5. Banking, financial institutions and financial markets
   a) Past and present state of the Banking system. The role of the Central Bank before and after 2001.
   b) Key financial institutions. Main players. Regulatory framework.
c) Financial markets. Main markets and institutions.
d) Capital Market Regulatory Reform in Korea: Consolidated Capital Markets Law

**Second Assignment:** Main Project – Group Presentation
Due - May 25, 2007

**Description:**
Select any company located in the U.S.A. The company selected would be entering Korea for the first time, or launching a new line of business in Korea. Please consider an expansion plan/joint business plan in Korea.

Please address the following issues:
- Strategic opportunities for this company to expand its operation into Korea (1 slide or PPT)
- Industry analysis (6 slides)
- Assessment of the Korea’ business environment (2 slides)
- Business model: How to localize the company to succeed in Korea. (3 slides)
- Conclusions (1 slide)

**Format:**
- Group size: 4-5
- Length: 15 slides maximum (no less than 12)

Your group needs to present this slide (or ppt) for about 15-20 minutes during the class at May 25, 2007. All the group members need to participate in the presentation equally.

**Third Assignment – Individual project**
Due - May 25, 2007

Based upon what you learn in the lectures and field studies of this course, name and discuss three important challenges a Korean company would face when it is operating in the USA.

**Format:**
- Individual work
- Length: 2 pages
- Font: 12 point Arial, single spaced with an extra space between each paragraph
- You can attach additional items such as tables and charts that do not count in the suggested length.
- Organization of the report. The report should have 3 major sections:
  - General introduction to the Topic
  - Specific responses to the topic area
  - Conclusions
COSTS

Program Fee: $2000

Included in the Program Fee:

- 13-day program, including 10 days of academia and 2 days of non-academic programming (and 1 free day)
- Seoul National University Business School expenses
- Accommodation (double-occupancy) with breakfast (14 nights)
  - Arrival: Saturday, May 12 (afternoon)
  - Departure: Saturday, May 26 (morning)
- 4 Corporate visits with transportation (and sandwiches on two of the visits)
- 2 group trips with transportation
- 1 group lunch (welcome)
- 1 group dinner (farewell)
- Demilitarized Zone (DMZ) tour (lunch not included)
- Course materials distributed by Seoul National University Business School

Additional Expenses to be Covered by Student (EXCLUDED from DBI Program Fee)

- Airfare to/from Korea-U.S.A.
- Transport to/from airports
- All other lunches not mentioned above
- All other dinners not mentioned above
- Subway fare, local transit
- Entertainment
- Personal expenses

Transportation to/from Seoul, Korea:
Students must arrange and pay for their transportation to/from Seoul, Korea and to/from the airport. Students must arrive at the hotel on Saturday, May 12, 2007 and plan to depart from the program on the morning of Saturday, May 26, 2007. Students are free to travel independently before or after the course at their own expense.

- To Corporate Visits: Transportation to and from all four corporate presentations is included in the DBI program fee.
- To Group Events: Group program activities include transportation. It is included in the DBI program fee.
- To Personal Activities: Not included in the DBI program fee – at student’s own expense.

Program Fee Payment and Refund Schedule:
See Registration and Bursar Schedule
Accommodations:
Lodging and breakfast is included in the DBI program fee. Student accommodation will be at Hoam Guest House of Seoul National University managed by the 5-star Shilla Hotel (a Samsung affiliate hotel chain) in double bedroom accommodation. All rooms were renovated recently. Lodging is for arrival on Saturday, May 12, 2007 and for departure on the morning of Saturday, May 26, 2007. Accommodation details are provided at the following website: http://www.hoam.ac.kr/

Meals
Breakfast is provided by the Hoam Guest House. There are two meals included in the subject fee: a welcome lunch and a farewell dinner. Sandwiches will be provided in two study trip days. All other lunches and dinners are at the student’s own and are not included in the DBI program fee. Other meals are readily available for students to buy in the School’s cafeteria located next to the business school building.

Group Events
Fees and transportation for the study tour, the city tour and cultural excursions are included in the DBI program fee. The tour to the Demilitarized Zone (DMZ) on Saturday is included in the program fee but the tour is optional. Lunch is at student’s own expense on the DMZ tour.

International Students
International students must contact OISS regarding their travel plans and must attend an OISS “Travel Workshop.” Also, visit the OISS website “Immigration & Employment”: http://www.nyu.edu/osl/oiss/immigrationEmploy/travelInstructions.html

Helpful Links:
DBi Policies: http://w4.stern.nyu.edu/academic/affairs/international.cfm?doc_id=5932
DBi Guidelines: http://w4.stern.nyu.edu/academic/affairs/international.cfm?doc_id=5934
DBi Registration and Refund Policy: http://w4.stern.nyu.edu/academic/affairs/international.cfm?doc_id=5932

Seoul National University University: http://www.useoul.edu/
Korea National Tourism Office: http://english.tour2korea.com/
SNU Program Coordinator Profiles

Professor Jaeyong Song

Professor Song is a faculty of strategy and international business at Seoul National University. Jaeyong Song was a professor at Columbia University and Yonsei University. He received his Ph.D. at the Wharton School. He won both the Barry M. Richman Best Dissertation Award of the Academy of Management and the Gunnar Hedlund Best Dissertation Award from the European International Business Association. He also won the Chazen Teaching Award from the Columbia Business School, the Best Teacher Award from Seoul National University, and the Best Performing Professor Award from Yonsei University. His research has appeared in major international journals such as Management Science, Strategic Management Journal, Organization Science, Journal of International Business Studies, Journal of Economics and Management Strategy, and Journal of Management. He was a primary investigator of the Samsung Way project commissioned by the Samsung Group in 2004. He also received research grants from the World Bank, the Asia Development Bank Research Institute, the Long-term Credit Bank Research Institute (Japan), and others. Professor Song has been involved in executive education for the Samsung Group, the LG Group, the SK Group, Korean Airlines, and other major corporations in Korea.

Professor Joon Chae

Professor Chae is a faculty of finance at Seoul National University. Professor Chae used to be a professor at the State University of New York at Buffalo. He received his Ph.D. at the Sloan School of Management of MIT after achieving master’s degree in statistics at Stanford. He received Derbes Fellowship in MIT and Small Amount Grant at SUNY-Buffalo. He has been working on several research projects about trading volume of stock market, cross-sectional variation of stock return, liquidity provision in an order driven stock market, and cost of capital of regulated companies. He recently published his papers in Journal of Finance and other journals. He presented his work in several conferences and schools, such as FMA 2006, Econometric Society Meeting 2004, INSEAD, and Korea University. Currently, he advises KT about how to decide the cost of capital. He has taught several finance courses, such as corporate finance and financial modeling, at many major corporations in Korea like Samsung, LG, POSCO, and others.

Professor Jong-Hag Choi

Professor Choi earned his Ph.D. in accounting at the University of Illinois at Urbana Champaign. He served as a faculty member of the Hong Kong University of Science & Technology between 2000 and 2006 before he joined Seoul National University. He won the following teaching awards at HKUST:

2000-2005 Top Ten Best Lecturers Award, HKUST
Seoul National University Business School

Seoul National University (SNU) is the pre-eminent leader of advanced education in Korea and has earned its reputation by living up to the highest standards in both research and teaching. The Times in U.K. ranked SNU as the 63rd best university in the world in 2006. It is located at the foot of magnificent Kwanak Mountain in the southern part of Seoul (about 30-40 minutes from the center city by bus or subway), and covers an area of approximately 4.5 km². Currently about 23,000 undergraduate students and 8,000 graduate students enroll in various academic programs at SNU. More than 1,700 faculty members from around the world teach and conduct research here.

Our business school was accredited by the AACSB in 2002, which is the first accreditation in Korea. The school has four degree programs (undergraduate, master, Ph.D., and MBA programs) and more than a dozen of non-degree executive programs for leading Korean companies. Those programs are taught by our world-class faculty members. Our business programs are highly regarded, and have long led business education in Korea. For more information about our business programs, please refer to http://cba.snu.ac.kr or http://gsb.snu.ac.kr.