C70.0014: Business Essentials for Non-Business Students

Leonard N. Stern School of Business, New York University
Professors Mike Mazzarese, Eric Greenleaf, Aaron Hipscher, Navin Chopra

Course Overview

The course is designed for students who have not yet taken business courses, yet want to become acquainted with the fundamentals skills that are essential in modern business management. The course is divided into four modules that cover these basic skills. Accounting is the quantitative language that firms use to describe and plan their costs, revenues, and sources and uses of cash, and to communicate these activities to others in the firm and the investment community. Finance is the science of fund management and examines the concepts of time, money and risk. Management examines the functioning of business organizations; how organizations are designed and managed to meet the demands of today and the challenges of tomorrow. Marketing focuses on how firms can satisfy customer needs, provide customer value, and make a profit by creating effective marketing strategies and then designing a marketing mix of activities to implement that strategy.

The course will use a combination of lectures, class discussion, experiential exercises and business cases to introduce participants to these three areas of business decision making. Students are expected to contribute to class discussion through class participation, regardless of their prior business experience. Students will also hand in written assignments and business memos and take a final exam on the last day of the course.

The course will be taught by three faculty from the Stern School and one Columbia faculty member. These are Professor Mike Mazzarese (Management), Professor Eric Greenleaf (Marketing), Professor Aaron Hipscher (Accounting) and Professor Navin Chopra (Finance). All of them have extensive experience teaching the introductory “core” courses at the undergraduate and MBA level.

Schedule

June 7, 8, and 9: Management Module, Professor Mazzarese
*June 9: Corporate Presentation
June 10, 11 and 14: Marketing Module, Professor Greenleaf
June 16, 17 and 18: Accounting Module, Professor Hipscher
June 21, 22 and 23: Finance Module, Professor Chopra
*June 24: Career Workshop

June 11 – Management Paper Due
June 25 – Marketing, Accounting and Finance Final
Required materials

For the Management module, all articles are either from the *Harvard Business Review (HBR)* [obtained through the NYU Bookstore], handouts or posted on Blackboard. For the Marketing module you will receive several handouts, which will be distributed in class. For the accounting module, the basic text is Horngrun, Sundeem and Elliot, *Introduction to Financial Accounting*, Custom Edition for C10.0001, Prentice Hall, 9th edition. In addition you must download and bring to class the General Mills 2009 10-k, (website (http://www.General Mills.Com).

Grading

Please see the Management, Marketing, and Accounting sections of this syllabus for more information about how your grade for each module will be determined. Your final grade for the course will be determined by averaging your grades for these three modules.

Examination

There will be a final examination on June 25 for Marketing, Accounting, and Finance. For the Management portion of this course you will have a take home Final Thought Paper...due by email no later than 11:59pm on Friday, June 11, 2010. The exam will cover the content from the Marketing, Accounting and Finance Modules. It will cover all material discussed in class and all reading assignments (textbook, class notes, cases and other supplementary reading material). The exam dates will not change and it will be extremely unlikely that you will be given permission to take a makeup. No make-up exam will be given for the Management portion of this course. For the other subjects, in the case of an emergency, you must request a makeup examination in writing and you must provide written proof that you cannot take the examination on the scheduled date. For example, if this is a personal medical emergency, this proof should be on the letterhead stationary of the medical office, must provide the date and time of the medical emergency, and must provide both a telephone number and contact name to verify the situation.

Class Policies

Laptops and other electronic equipment (e.g., cell phones, PDAs, MP3s, etc.) are not permitted in class unless we announce otherwise for a particular class session. If you have a medical reason why you need to take notes using an electronic device, please let us know at the beginning of the semester and we will make the appropriate accommodations. You will be asked to leave the classroom if you are using electronic equipment during class without our permission.

Code of Conduct and Classroom Etiquette

Your behavior in this class and the ethical standards you are expected to observe are governed by the Stern Code of Conduct, posted at:

http://w4.stern.nyu.edu/academic/affairs/policies.cfm?doc_id=7511

Please read the Stern Code of Conduct before the start of class. No cheating or dishonest behavior will be tolerated in this class. If you copy the work of a current or past student, if you plagiarize, or if you compare answers on an assignment with an other student, the Stern Honor Council, and the
corresponding honor committee in your school, will be notified.

_Accommodation for Disabilities_

If you have a qualified disability and will require academic accommodation during this course, please contact the Moses Center for Students with Disabilities (CSD, 998-4980) and provide us with a letter from them verifying your registration and outlining the accommodations they recommend. If you will need to take an exam at the CSD, you must submit a completed Exam Accommodations Form to them at least one week prior to the scheduled exam time to be guaranteed accommodation.
## COURSE OUTLINE with ASSIGNMENTS

<table>
<thead>
<tr>
<th>Session</th>
<th>Date</th>
<th>Topic</th>
<th>Assignment/Quiz</th>
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<tbody>
<tr>
<td>Management Module</td>
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<tr>
<td>1</td>
<td>M June 7</td>
<td>Managing Yourself, Others and Organizations</td>
<td><strong>Complete before Class # 1</strong>&lt;br&gt;1. Selected Self-Assessment surveys (instructions on BB in the Course Documents section)&lt;br&gt;2. Find two articles on current trends in management; Write and hand in a 1/2-page summary (bullet points) for each; compare &amp; contrast the two; include your insights, new learnings; questions, etc. Be prepared to summarize and discuss in class <strong>Read:</strong>&lt;br&gt;3. “The Smile Factory” (Course Pack)&lt;br&gt;4. “Evolution and Revolution as Organizations Grow” May-June 1998 (HBR Article – Course Pack)&lt;br&gt;5. “They’re Not Employees, They’re People” February 2002 (HBR Article – Course Pack)&lt;br&gt;6. Review slides in Course Documents section of BB</td>
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<td>2</td>
<td>TU June 8</td>
<td>Problem-Solving, Decision-making, Groups and Creativity</td>
<td><strong>Quiz – Short answer/multiple choice/short essay:</strong>&lt;br&gt;1. Problem-Solving/Decision-Making (BB + Course Documents)&lt;br&gt;Skim the summary in BB. Use detailed chapter in course pack for future reference&lt;br&gt;2. The Necessary Art of Persuasion (Course Pack)</td>
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<tr>
<td>Special Session</td>
<td>W June 9</td>
<td>Corporate Presentation: L’Oreal</td>
<td><strong>12:40-2:00pm, Lunch will be provided!</strong></td>
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### Marketing Module

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<th>Date</th>
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<td>4</td>
<td>TH</td>
<td>Marketing? Consumer Behavior, Marketing Segmentation, Targeting, and Positioning</td>
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<td>5</td>
<td>F</td>
<td>Pricing Strategy, Pricing Psychology, Choosing Marketing Partners</td>
<td>“Handout on Quantitative Analysis in Marketing”</td>
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<td>6</td>
<td>M</td>
<td>Attracting and Retaining Valuable Customers Product Management Marketing Communications</td>
<td>“Handout on Forecasting the Lifetime Value of a Customer”</td>
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### Accounting Module

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<tr>
<td>7</td>
<td>W</td>
<td>Accounting Information and Decision Making Content and Organization of Financial Statements</td>
<td>HSE: Chapters 1 &amp; 2; HSE: Ch. 1, Problems 26, 31, 33, 35, 36, 38; HSE: Ch. 2, Problems 34, 38, 39, 45, 48, 51, 55, 60</td>
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<tr>
<td>8</td>
<td>TH</td>
<td>Business Transactions Analysis Accrual Accounting</td>
<td>HSE: Chapters 3 &amp; 4; HSE: Ch. 3, Problems 20, 21, 26, 30, 38, 43, 49; HSE: Ch. 4, Problems 34, 35, 37, 54, 56, 58; Casebook: Abercrombie &amp; Fitch Co.</td>
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<tr>
<td>9</td>
<td>F</td>
<td>Preparation of Cash Flow Statements &amp; Review</td>
<td>HSE: Ch. 5, Problems 40, 41, 42, 51, 62</td>
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### Finance Module

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<th>Assignment</th>
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<td>12</td>
<td>W</td>
<td>1. Overview of Derivatives 2. Forward &amp; Futures Markets 3. Options and Options Markets</td>
<td>TBD</td>
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### Special Session

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<th>Presented by the NYU Wasserman Center</th>
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<td>12</td>
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<td>Career Workshop</td>
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MANAGEMENT MODULE

Professor Mike Mazzarese

Module Overview

Many companies bestow a management title on key talent and expect appropriate behavior to follow. That is not the most effective way to develop future business leaders. This course focuses primarily on organizational aspects of managing a diverse workforce in a complex, global environment that is constantly changing at a speed never before imagined.

We will examine critical management issues that are important first steps in leading today’s business for tomorrow’s results. Our aim is not only to introduce you to basic management concepts but also to have you explore how your behavior preferences help or get in the way of personal/professional results. We also look at how organizations are designed and managed around teams, problem-solving, decision-making and managing/leading change.

You will also have many opportunities to enhance your communication and interpersonal skills, two of the primary reasons promising management careers get derailed. The assigned readings provide basic concepts, theories, and approaches that identify important organizational issues. Lectures, class discussions and experiential exercises will review and extend this material.

Evaluation & Grading

All grades are averaged equally…no matter how many assignments, quizzes, etc. For example:

- Class Participation: 25%
- Quizzes: 25%
- Assignments: 25%
- Final Thought Paper: 25%

Total: 100%

Class Attendance – Classes are not videotaped

The Management portion of this course will not have a traditional format. To understand its approach in context it is expected that you will be present for all class sessions. The only exception is for a religious holiday or medical reason.

Be prepared to take full responsibility for your own learning. The outcome you choose to achieve for this class will impact more than your transcript. What will affect your grade, however, is your attendance. It will be IMPOSSIBLE to qualify for an "A" in this part of the course, if you are not in class for ANY reason and participating in every class for the entire session. Secondly, if you miss class for any reason other than medical, you will fail… even if you manage to perform adequately on other aspects. The rationale is simple: Participating in the learning community of this course by attending class sessions is not optional.
Written Assignments

All assignments are to be typed, double-spaced with one-inch margins all around. Type should be no larger than 12pts. **Do not use fancy covers or binders.** Simply put the title of your paper, your name, student ID # [last four numbers], phone number, and email address at the upper left-hand corner. Include your name on each page. **KEEP copies of whatever you hand in. Do not give me your only copy.**

All assignments are due at the beginning of each class. **Late assignments** will be reduced by one “+” or “-” grade point.

At the end of every class, you may be asked to write a three minute memo. The purpose of these 3 minute memos is to establish a direct line of communication from you to me. To encourage frankness and freedom of expression, these memos are graded PASS/FAIL. **PASS** means that you handed in something that attempted to respond to my questions. **FAIL** means you handed in nothing. Thus, your grade is not affected by what you communicate on these memos. If you do not hand anything in, you will receive no credit for class participation that day. It will have a serious affect on your final grade.

Active participation in class discussions is expected. This can be done by speaking in class or by raising issues on three minute memos. Please note that this refers to substantive as opposed to administrative issues. When speaking in class, I look for quality of participation rather than quantity. Absence, lateness, and failure to speak represent lost opportunities to earn participation credit.

As you know, sometimes we cannot control the weather or transportation. If you are going to be late, you may email me your assignment: mmazzare@stern.nyu.edu. However, if you email the assignment, it must arrive no later than 15 minutes prior to the start of class in order to avoid being counted as late.

**Quizzes**

If a quiz is scheduled, it will be given at the beginning of the class. Quiz grades will be averaged in equally to arrive at your final grade for the Management section of this course. There are no make-ups on quizzes. If you miss a scheduled quiz, it is no longer possible to get credit for that quiz.

**Final Thought Paper – No make up exam will be given**

By Friday, June 11, 2010...no later than 11:59p.m. email a final 3-page thought paper [...] responding to these 3 questions:

1. What did you learn about management in this brief experience?
2. How will/can you use what you’ve learned in your own context/situations?
3. How has this experience changed or reinforced your perception of “business” or management issues?
MANGEMENT COURSE SCHEDULE

[These items are not necessarily in order and they may change, as appropriate]

Class 1: Managing Yourself, Others and Organizations
Date: June 7, 2010

1. **Complete before Class # 1**
   a. Selected Self-Assessment surveys (instructions on BB – Course Documents)
   b. Find two articles on current trends in management;
      i. Write a 1/2-page summary to be handed in (bullet points) for each; compare & contrast
         the two; include your insights, new learnings; questions, etc. Be prepared to summarize
         and discuss in class

   **Read:**
   b. “They’re Not Employees, They’re People” February 2002 (HBR Article – Course Pack)
   c. “The Smile Factory” (Course Pack)
   d. Review slides in Course Documents section of BB

2. Introduction, administrative issues, and overview of the course, expectations..yours and mine, etc.
3. Possible Videos:
   (a) FISH
   (b) Disney & Organization Iceberg

4. Class discussion of self-assessments, readings, management basics, etc.
5. Lecture: Assumptions, management styles, and organization congruence and strategy,
   organization culture, etc

Class 2: Problem-Solving, Decision-Making, Groups and Creativity
Date: June 8, 2010

Read:
   a) Problem-solving/Decision-making (BB – read summary fully; skim complete chapter –
      Course Documents)
1. Video:
   a) IDEO designs a shopping cart.
2. Problem-Solving exercise
3. Discussion & Debrief of readings, exercise and video
4. Power and Influence – “Twelve Angry Men” (possible)

Class 3: Leading in the Midst of Change.
Date: June 9, 2010

1. **Quiz – What did you read? What does it mean? How can you use it?**
c. “You’re Ready for Top-Line Growth – Are your Employees?”
d. Slides (BB): William Bridges – Managing Transitions

2. **Team (possible) Case Preparation – **to be handed in:** “John Smithers at Sigtek” (HBR Case–Course Pack)

   a. Given what you’ve read about change, prepare this case:
      i. What are the issues?
      ii. What does Smithers do well?
      iii. What would you suggest he do differently to be more successful

3. Summary and review for management segment of course.

Thought Paper [no more than 3 pages! I stop reading at the end of the 3rd page. :-)]
Date: no later than 11:59 p.m. on Friday, June 11, 2010
MARKETING MODULE

Professor Eric Greenleaf

Module Overview

People often define "marketing" as advertising – a highly visible activity by which organizations try to persuade consumers to buy products and services. However, marketing is much more than advertising and even the most skillful marketing cannot make consumers buy things that they don't want.

Marketing involves two basic sets of activities. The first set involves marketing strategy and starts with identifying consumer needs and ends with choosing a target segment and positioning the product or service to satisfy that segment’s needs and differentiate the product from the competition. In between, rigorous analysis of the competition, the customer, the environment, and the company’s own capabilities are required. The second set of activities revolves around the marketing mix that is used to implement the marketing strategy – informing consumers about the product in an attention-getting, convincing, and motivating way, getting it to the consumer through the best combination of distribution channels and partnerships, pricing it effectively, and offering incentives to try, purchase, and purchase more. At any point along the way, failure to get one of these activities right may result in the failure of the product. Positioning is the key to product success, but even a perfect product with brilliant positioning won’t last long if its benefits are not clearly communicated to the right people, if its price is too high or too low, if it is sold through the wrong retailers, or displayed poorly.

In this course, you will be introduced to the principles underlying these activities. The objectives of the marketing module of this course are to:
1. Introduce you to the concepts, analyses, and activities that comprise marketing management.
2. Learn how to assess and solve marketing problems.
3. Provide a foundation for further study in marketing.

Grading

Your grade for marketing will be based on a final examination that will cover all material from this module.

Class Participation / Attendance Policy

Although you will not receive a formal grade for class participation, learning is an active process and your knowledge of the class material will only increase with your active class participation. I therefore encourage active class participation.

You are expected to attend all class sessions. Please note that if you are late for or miss a class, your final course grade will be lowered by one half grade (e.g, from an A to an A-, and A- to a B+, etc.). You are responsible to arrive to class on time and prepared to work. It is both disrespectful and disruptive to your other class members if you arrive once the class is in session. It is also disrespectful and disruptive to leave the classroom while class is in progress. Do not plan on leaving mid-session unless it is absolutely necessary.
MARKETING SCHEDULE

Class 4:
Date: June 10, 2010

1) What is Marketing?
   i) Firm Orientations Towards Marketing

2) Consumer Behavior
   i) The Consumer Decision Making Process
   ii) Consumer Psychology

3) Marketing Segmentation, Targeting, and Positioning
   i) Types of Market Segments
   ii) Identifying the Best Segment for the Firm
   iii) Positioning and Repositioning
   iv) Market Maps

Class 5:
Date: June 11, 2010
Read: “Handout on Basic Quantitative Analysis in Marketing”

1) Pricing Strategy and Pricing Psychology
   i) Cost based Pricing
   ii) Value-based Pricing
   iii) Segmented Pricing
   iv) Psychological Pricing

2) Choosing Marketing Partners
   i) External Partners: Distributors
   ii) Internal Partners: Salespeople
   iii) Managing Partnership Relationships

Class 6:
Date: June 14, 2010
Read: “Handout on Forecasting the Lifetime Value of a Customer”

1) Attracting and Retaining Valuable Customers
   i) Forecasting Customer Value
   ii) Using Customer Value Strategically

1) Product Management
   i) Managing Brand Names
   ii) Brand Extensions
   iii) Developing Successful New Products

3) Marketing Communications
   i) Message Strategies
   ii) Media Allocation
ACCOUNTING MODULE

Professor Aaron Hipscher

Module Overview

Accounting produces much of the information used within corporations. Accounting information is used in valuation, in contracting, by investors, by creditors, by managers and by the government. A good understanding of accounting is one of the basic building blocks of business education. This module introduces the fundamentals of accounting. We will approach the subject from a user's point of view, not the accountant, although this does require extensive work on how accounting information is prepared. By the end of this module, you should be able to read and understand financial statements. Please download the General Mills annual report 10-k from General Mills ,Com. More detail on the textbook material will come later,

The module begins with the simplest and most important rules of accounting. We begin by looking at the three fundamental financial statements -- the balance sheet, the income statement, and the statement of cash flows. Particular attention is paid to how the three statements interact with each other. We then move on to specific topics in accounting.

Learning Accounting

1. Read the assigned chapters before coming to class. The assumption will be made that you have read the material prior to class. I cannot overemphasize this point.

2. The homework problems will be discussed in class. You must bring the material to class.

Grading

There will be an exam on Friday, January 16th, which will count for 1/3 of your total grade.

ACCOUNTING SCHEDULE

Class 7:
Date: June 16, 2010

PRELIMINARIES

Read: HSE: Chapters 1 & 2

Accounting Information and Decision Making
II. Accounting as an information specialty.

General Mills Annual Report
Assignment: HSE: Ch. 1, Problems 26, 31, 33, 35, 36, 38
2. RECORDING ACCOUNTING TRANSACTIONS

Content and Organization of Financial Statements

I. Balance Sheet
II. Income Statement
III. Statement of Cash Flows

Assignment: HSE: Ch. 2, Problems 34, 38, 39, 45, 48, 51, 55, 60

Class 8:
Date: June 17, 2010

Read HSE: Chapters 3 & 4

Business Transactions Analysis

Assignment: HSE: Ch. 3, Problems 20, 21, 26, 30, 38, 43, 49

Accrual Accounting

Assignment: HSE: Ch. 4 Problems 34, 35, 37, 54, 56, 58
Casebook: Abercrombie & Fitch Co.

Class 9:
Date: June 18, 2010

Preparation of Cash Flow Statements & Review

Assignment: HSE: Ch. 5, Problems 40, 41, 42, 51, 62

Final Exam
Date: June 25, 2010
MANAGEMENT MODULE

Professor Navin Chopra

Module Overview

In this course, we will cover the basics of finance. No prior knowledge of finance is assumed. We will cover Fixed Income Securities, Treasury Markets, Stock Market Indexes, Derivatives, Forward Contracts, Futures Markets, Options, and Hedging.

PURPOSE OF THE COURSE

In this class, we will spend about 9 hours in 3 sessions covering the basics of finance. No prior knowledge of finance is presumed. We will cover Fixed Income Securities, Treasurys Markets, Stock Market Indexes, Derivatives, Forward Contract, Futures Markets. Options and application to Hedging.

INSTRUCTOR

Navin Chopra
E-mail: nchopra@stern.nyu.edu

CLASS MEETINGS

June 11 (Thursday) 1:00-4:00
June 15 (Monday) 9:00-12:00
June 16 (Tuesday) 9:00-12:00

CLASS PARTICIPATION

You are expected to participate in class discussions and to ask questions.

ATTENDANCE

The importance of attendance in this class cannot be emphasized enough. Since we will rely mainly on lectures for coverage of the material, it is very important that you can attend both classes. Attendance will be taken in class. To get the most out of the class, you must read the lecture notes prior to each class.

DAY 1: JUNE 21

4. Overview of Financial Securities & Markets
5. Fixed Income Securities
6. U.S. Treasurys Markets

DAY 2: JUNE 22

3. The Stock Market
4. Stock Market Indexes: The Dow-Jones and Standard & Poors 500

DAY 3: JUNE 23

4. Overview of Derivatives
5. Forward & Futures Markets
6. Options and Options Markets