



**LONDON SCHOOL OF  
ECONOMICS AND POLITICAL  
SCIENCE**

**INTERDISCIPLINARY  
INSTITUTE OF  
MANAGEMENT**

***COURSE GUIDE FOR  
CEMS STUDENTS***

Michaelmas Term  
Thursday 2 October – Friday 12 December 2003

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## The General Philosophy of the LSE Approach to CEMS Courses

In order to retain a selection of courses available to both our incoming and home CEMS students whilst satisfying the constraints of interdisciplinary, bridge, interaction and international, we are proposing to adopt a linked three tier structure as follows:

- i. Case study seminars including CEMS partners and others.
- ii. Multidisciplinary student teams dedicated to (i) under joint academic/partner supervision
- iii. A cluster of academic courses providing student teams for (ii)

Although the courses in some cases will accommodate non-CEMS students, the teams and case studies will be exclusively constituted for CEMS students. All courses are international in the sense that the impact of comparative institutions is considered.

## CHOOSING YOUR COURSES AT THE LSE

### General Information

The majority of the undergraduate and graduate courses offered in the School are taught over three terms: Michaelmas, Lent and Summer. CEMS students join the LSE for a single term only, taking “half unit” courses which run during the Michaelmas (October – December) term.

Teaching consists of lectures, classes and tutorials. Most courses consist of one lecture and one seminar class per week. Lectures are given to all students taking that course. The lecture group will subsequently divide into seminar classes, which normally take the form of discussion groups, often with smaller presentations, chaired by a teacher with up to 20 students. Students should be aware that although the actual teacher/student contact time is relatively small, considerable additional work will be required for class discussions, coursework and the new corporate involvement in courses.

### Course Selection

The new CEMS curriculum requires students to take **FOUR** courses in the first term of the CEMS master. For these courses the student is entitled to attend lectures and classes. The range of courses offered to incoming CEMS students is listed in this booklet. The choice of courses is somewhat limited compared to previous years, this is due to the regulations on course structure imposed by the CEMS. Three courses have to be chosen from the “core” list and one course can be chosen from the additional list. Of the three courses selected from the ‘core’ list, one of them should be taught by the management department i.e. prefixed MN.....

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In addition, the School allows **auditing** of courses which allows you to attend the lectures of any additional courses which may be of interest to you. However, you may not attend seminar classes and no assessment of your understanding of the course material is possible. Performance on the **four** courses on which you have enrolled will form the basis of your assessment.

Visiting CEMS students are asked to select six courses from the list, and place them in order of priority in an e-mail to [j.fordham@lse.ac.uk](mailto:j.fordham@lse.ac.uk)

Because the number of places available to exchange students for individual courses is limited, it may not always be possible to offer students their first choice of courses, and we do ask for your understanding in this. However, as these places are allocated on a first-come-first-served basis, ***the quicker you send your course choices, the greater your chance of being allocated a place.***

### **Course Assessment**

As previously mentioned, the London School of Economics, in line with most UK universities, teaches on an annual cycle with the examination period being in May-June. Therefore CEMS exchange students take no **formal** written examinations. You will only be assessed on the four courses you have registered for, on the evidence of class teacher reports and one or two written assignments (where A is a high pass and E is fail).

### **Language Teaching**

The LSE offers pre-sessional English Language courses prior to the start of term. Please contact the Language Studies Centre for further details.

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# International Accounting

(core course)

**Course Code: AC470**

<b>Teacher Responsible:</b>	David Cairns
<b>Core Syllabus:</b>	The course aims to provide a review of the international dimensions of accounting. Comparative aspects are also included.
<b>Course Content:</b>	<p>The course deals with three broad issues:</p> <ol style="list-style-type: none"><li>1. The influence of different economic, social political and institutional circumstances on accounting requirements. France, Germany, the USA, Japan and the countries in East and Central Europe illustrate this theme.</li><li>2. The rationale and consequences of harmonisation proposals and the institutional and political contexts out of which they emerge. The work of the International Accounting Standards Committee (IASC) and the European Union will be considered.</li><li>3. The choice of accounting treatments for particular circumstances in different countries and circumstance. The technical issues considered include consolidated (group) accounts, foreign currency accounting and accounting for changing prices.</li></ol> <p>The course involves a number of outside speakers with practical and academic experience of accounting issues in different countries and environments.</p>
<b>Pre-Requisites:</b>	Undergraduate level knowledge (or equivalent) of Accounting and Finance. <a href="#">If you chose this course, please send us information on how your academic background meets these pre-requisites (courses taken and passed, content of courses).</a>
<b>Reading List:</b>	As well as a number of general texts on international accounting and financial reporting by multinational enterprises, the course makes extensive use of journal articles as well as technical and policy pronouncements by national and international agencies.

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# International Marketing Management: A Strategic Approach (core course)

**Course Code: MN413**

**Teacher Responsible:** Dr Rafael Gomez

**Core Syllabus:** The course covers the main theories in Marketing Management. It emphasises theories and a strategic approach to understand the marketing behaviour of firms in an international setting.

**Course Content:** The course focuses on the 'theory' of marketing. One of its important aims is to emphasise the range of social science disciplines that are relevant if marketing is to be properly understood. It will be a critical course, in the sense that the marketing taught here will not involve 'how to' or intensely 'practical' applications. Rather, the emphasis will be on understanding strategic concepts with broader applicability. The course will force students to question the limitations and problems of marketing management.

**Reading list:** Some useful texts are Lambin, J-J. (1997), *Strategic Marketing Management*, London: The McGraw-Hill company. And Jagpal, S (199), *Marketing Strategy and Uncertainty*, New York: Oxford University Press. Further references will be given during the course.

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# Systems Thinking with Strategic Modelling

(core course)

**Course Code: MN419**

**Teacher Responsible:** Dr David Lane

**Core Syllabus:** The course provides an introduction to the form of systems thinking called system dynamics. The emphasis is on the creation and use of strategic models which allow the rigorous testing of different policies. This course introduces the causal feedback thinking at the centre of the system dynamics and shows how this qualitative modelling can add clarity and precision to strategic debates. The benefits of fully specified and parameterised simulation models are then described using a range of examples and students are expected to explore and experiment with quantitative computer models using state of the art' simulation software with a graphical interface. This course concentrates on the use of simulation models and the contribution that they can make to management.

**Course Content:** The course treats the following subjects: the core concepts of system dynamics and its intended contribution to management thinking, the symbols and conventions of causal loop diagramming, creating causal theories with CLDs, the benefits of simulations models, iconography for strategy modelling, managerial applications of strategic modelling.

**Teaching:** Two sessions per week (normally alternating lecture then class, some of these classes being held in computer rooms).

**Assessment:** The course is examined by two pieces of individual coursework.

**Reading List:** G P Richardson (Ed.), *Modelling for Management*; J A M Vennix, *Group Model Building: facilitating team learning using system dynamics*; J D W Morecroft & J Sterman, *Modelling for Learning Organizations*; J W Forrester, *Industrial Dynamics*; G P Richardson & A L Pugh, *Introduction to System Dynamics Modelling with DYNAMO*; P M Senge, *The Fifth Discipline*; various research papers from the LSE library offprints collection.

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# Information Systems Development

(core course)

**Course Code: IS472**

**Teacher Responsible:** Professor Ian Angell

**Core Syllabus:** This course examines management and organisational issues involved in the introduction and operations of computer-based information systems in business.

**Course Content:** The course discusses the proposals for the use of information technology for competitive advantage in business and examines issues in the management of the technology, including policies for strategic planning, project management and the implementation of computer-based systems. Organisational problems are addressed, including end-user computing and the evaluation of computer-based information systems. Case studies are used to demonstrate the key issues.

**Reading List:** R D Galliers, D E Leidner & B S H Baker, *Strategic Information Management*, 2<sup>nd</sup> edition, Butterworth Heinemann, 1999; H J Watson *et al* (Eds), *Information Systems for Management*, 3<sup>rd</sup> edition, BPA, 1987; R H Strague & B C McNurlin, *Information Systems Management in Practice*, 3<sup>rd</sup> edition, Prentice Hall, 1993; J C Wetherbe, V T Dock & S L Mandell, *Readings in Information Systems*, plus other books and journal articles.

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# Aspects of Human Resource Management

(core course)

**Course Code: MN409**

**Teacher Responsible:** Dr Rafael Gomez

**Core Syllabus:** The course considers the policies that organisations adopt in order to deal with a range of human resource problems.

**Course content:** Problems of specifying the objectives, both underlying and operational, of human resource policies. The problems surrounding issues such as recruitment and selection, training and development, appraisal, securing commitment, control and incentive systems. Strategies of human resource policy. The role of the personnel manager. Internal labour markets and labour market segmentation. Manpower planning models.

**Reading List:** A key text is J. Barsh & D. Kreps (1999), *Strategic Human Resources*, John Wiley. Further reading will be suggested at the start of the course.

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# Negotiation Analysis

(core course)

**Course Code: MN403**

<b>Teacher Responsible:</b>	Dr Thomas Kirchmaier
<b>Core Syllabus:</b>	This course adopts an interdisciplinary perspective to analyse negotiations, covering ideas from economics, decision sciences and psychology.
<b>Course Content:</b>	<p>The course examines game theoretic, decision analytic, and cognitive psychological perspectives to negotiation problems. These approaches highlight the importance of interests, information, strategy and power in defining the structure and outcomes of inter-dependent interactions. Prescriptive as well as descriptive findings from research in negotiations will be discussed throughout the course. The first part covers the basics of distributive bargaining and the importance of pre-negotiation information in the division of a fixed negotiation surplus. The second part introduces the concept of integrative bargaining. The third part covers some basic game theoretic models of strategic interaction. The final part of the course concentrates on psychological mechanisms that can powerfully shape negotiation behaviour and outcomes.</p>
<b>Reading List:</b>	<p>L. Thompson, <i>The Mind and Heart of the Negotiator</i>, Prentice Hall (2000); A. Dixit &amp; S. Skeath, <i>Games of Strategy</i>, Norton (1999); R. Clemen, <i>Making Hard Decisions: An Introduction to Decision Analysis</i>, Duxbury Press (1996); H Raiffa, <i>The Art and Science of Negotiation</i>, Harvard University Press (1982). Note that no one book covers the entire syllabus, students will be expected to read widely in appropriate journals, and a list of references will be provided at the start of the course.</p>

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# Business in the Global Environment

(core course)

**Course Code: MN425**

**Teachers Responsible:** Mr Mark Bleakley, Sir Geoffrey Owen and Mr Louis Turner.

**Core Syllabus:** The course aims at a broad introduction to the impact those multinational corporate strategies, global competition, comparative shifts in industrial policies and technological evolution have on international relations.

**Course Content:** Introduction to the debate on multinational companies, global competition and international relations theory. Relevant technological departments. Role of industrial deregulation. Multinational power. Rise of Japanese multinationals. Questions of control and regulation. State-firm diplomacy. Comparative industrial policies and industrial cultures.

**Reading List:** No one book covers the entire syllabus; reading should be spread over: Manuel Castells, *The Rise of the Network Society*, Vol 1 (1996); Peter Dicken, *Global Shift: Transforming the World Economy*; 1998; Robert Gilpin, *The Political Economy of International Relations*, 1987; John Williamson (Ed) *The Political Economy of Policy Reform* (1994); U.N. *World Investment Report*, 1999; D Yergin & J Stanislaw, *The Commanding Heights*, 1998; Raymond Vernon, *In the hurricane's eye: the troubled prospects of multinational enterprises*, Harvard University Press, 1998

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# Managing Economic Development

(core course)

**Course Code: GY407**

**Teachers Responsible:** Dr Gilles Duranton

**Core Syllabus:** Analysis of the theory of management of economic development focusing on response to change, stimulation of development, project management and methods of local or regional delivery.

**Course Content:** This course introduces students to key economic ideas and concepts relevant to the field of economic development with an emphasis at the local level. The course seeks to give an overview of the field and to develop concepts and theories on how individuals, private firms and public institutions interact at the local level. The topics covered include the analysis of local interactions, information problems and the necessity of formal and informal institutions. The behaviour of households, entrepreneurs, small and large firms is also reviewed. Eventually, the emphasis is put on the implications of the division of power between central and local institutions.

**Reading List:** A. Atkinson and J. Stiglitz, *Lectures on Public Economics*, McGraw-Hill (1986); H. Armstrong and J. Taylor, *Regional Economics and Policy*, Harvester Wheatsheaf (1993); P. Dicken, *Global Shift*, Paul Chapman (1992); G. Grossman and E. Helpman, *Innovation and Growth in the Global Economy*, MIT Press (1991); V. Henderson, *Urban Development, Theory, Facts and Illusions*, Oxford University Press (1988); P. Krugman, *Geography and Trade*, MIT Press (1991); P. Milgrom and J. Roberts, *Economics, Organization and Management*, Prentice Hall (1992); M. Temple, *Regional Economics*, St Martin's (1994). A number of more specialised texts will be recommended.

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# Modern Social Psychology

(core course)

**Course Code: PS443**

- Teachers Responsible:** Dr Marie-Claude Gervais
- Core Syllabus:** Basic theories in modern social psychology following both European and American traditions of research.
- Course Content:** The course provides an overview of some of the main contributions and schools of thought in social psychology, with particular emphasis on the historical forces which have shaped past and current thinking. Specifically, the lectures address: 1) the social psychology of inter-personal and inter-group relations (perception of self and others, obedience, conformity, the influence exerted by minority and majority groups, theories of prejudice, social identity theory, group performance, leadership, decision-making); 2) key theories and concepts in the field of social cognition (social perception and causal attribution, attitudes, social representations, rhetorical psychology); and 3) one specific area of research where exciting developments are taking place (eg the social psychology of the media, cross-cultural psychology, evolutionary psychology, etc).
- Reading List:** R Brown, *Social Psychology* (2<sup>nd</sup> edition), Collins-Macmillan, New York, 1986 (set text); E E Jones, *Interpersonal Perception*, Freeman, 1990; H Tajfel, *Human Groups and Social Categories: Studies in Social Psychology*, Cambridge University Press, 1981; M Hewstone, W Stroebe, J-P Codol, & G M Stephenson, *Introduction to Social Psychology: A European perspective* (2<sup>nd</sup> edition), Blackwell, 1996 (set text); H Himmelweit & G Gaskell (Eds), *The handbook of Social Psychology*, Volume II, McGraw Hill, 982-1026, 1998; M A Hogg & G M Vaughan, *Social Psychology* (2<sup>nd</sup> edition), Prentice-Hall, 1998 (set text).

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# Management Accounting, Strategy and Organisational Control

(additional recommended course)

**Course Code: AC410**

- Teachers Responsible:** Professor M Bromwich
- Core Syllabus:** Current developments in management accounting research and practice.
- Course Content:** The emerging strategic role for management accounting. Strategic Management Accounting; Target Costing; Activity Based Costing; economic approaches to the allocation of overhead costs, including Ramsey prices. Game theory and agency relationships; agency theory and its role in the analysis of risk sharing and goal congruence; the role of information in agency relationships. New developments in divisional performance evaluation and in setting top management rewards. *Strategic and Organisational Perspective:* The analysis of business strategy, positional and resource-based perspectives. The process and politics of strategic decisions. Strategy formation as a longitudinal process. Emergent strategy. Elements of control systems design. The evolution of planning and control systems. Strategy and control. Control systems and organisation design. Styles of control, performance measurement and the balanced scorecard. Control systems and organisational change. Contingency theories of management accounting and control. International differences in management accounting and control. Strategy, organisation and control in global firms.
- Reading List:** Detailed reading lists will be given out at the start of each part of the course. Illustrative references include: R S Kaplan & A A Atkinson, *Advanced Management Accounting* (3rd edn, Prentice-Hall, 1998); R Cooper & R S Kaplan, *The Design of Cost Management Systems* (2nd edn, Prentice-Hall, 1999); M Bromwich & A Bhimani, *Management Accounting: Pathways to Progress* (CIMA, 1994); R Grant, *Contemporary Strategy Analysis* (3rd edn, Blackwell, 1998); R Simons, *Performance Measurement & Control Systems for Implementing Strategy*, (Prentice Hall, 2000); C A Bartlett & S Ghoshal, *Managing Across Borders: The Transnational Solution* (Harvard, 1989).

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# Corporate Financial Reporting

(additional recommended course)

**Course Code: AC420**

<b>Teachers Responsible:</b>	To be announced.
<b>Core Syllabus:</b>	The course examines the current approach to corporate financial reporting to investors and other groups in countries with active capital markets (such as the UK and USA).
<b>Course Content:</b>	The course studies the economic and social rationales for corporate financial reporting, with particular consideration being given to the nature of conventional (historical cost) accounting and to prevailing regulatory structures applying to financial reporting. Emphasis is placed on the range of theories that have been developed to explain the nature, form and content of corporate financial reports, rather than on the technicalities of preparing financial statements. The main theoretical perspectives examined are: deductive approaches, based on the notion of financial accounting as the measurement of economic income and value (including applications to current accounting controversies); social approaches, studying financial reporting as a social and behavioural phenomenon; economic approaches, regarding corporate financial reporting as an information system, and studying the demand for and supply of accounting information in a market setting and its stock market impact; and regulatory approaches, examining the nature of and case for and against the regulation of corporate financial reporting.
<b>Reading List:</b>	Detailed reading lists are handed out at the start of the course, and will be largely based on papers in academic journals. Relevant books covering specific parts of the course are: W H Beaver, <i>Financial Reporting: An Accounting Revolution</i> (3rd edn, Prentice-Hall, 1998); M Bromwich, <i>Financial Reporting, Information and Capital Markets</i> (Pitman, 1992); R Macve, <i>A Conceptual Framework for Financial Accounting and Reporting</i> (Garland, 1997); W Scott, <i>Financial Accounting Theory</i> , (Prentice Hall, 1997); R L Watts & J L Zimmerman, <i>Positive Accounting Theory</i> (Prentice-Hall, 1986).

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# **Advanced Economic Analysis**

(additional recommended course)

**Course Code: EC301**

**Teachers Responsible:** Dr A Prat

**Core Syllabus:** A series of lectures introducing recent developments in economic theory.

**Course Content:**

**Reading List:** The course is mainly based on lecture notes and journal articles. Relevant textbooks will be announced at the beginning of each term.

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# Economic Analysis of the European Union

(additional recommended course)

**Course Code: EC303**

**Teachers Responsible:** Mr A Marin

**Core Syllabus:** The course will concentrate on economic policy issues in the EU and relevant analytical tools. It will treat the issues at a level appropriate for students with the knowledge of economics provided by the courses already taken, though the historical, political and institutional context of the EU will also be relevant.

**Course Content:** The topics covered are likely to include some of the following:

- (i) EMS, EMU and monetary policy.
- (ii) CAP and possible reforms.
- (iii) Environmental policy.
- (iv) Single market, industrial and regional policy.
- (v) External trade and protectionism.

**Reading List:** General background readings: T Hitiris, *EU Economics*, 4th edn, Prentice Hall, 1998; A El-Algraa (Ed), *The European Union*, 5th edn, Prentice Hall, 1998; D Swann, *The Economics of the Common Market*, Penguin, 8th edn, 1995. References relevant to each topic area, including articles from academic journals, will be given out during the course.

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# International Economics

(additional recommended course)

**Course Code: EC315**

**Teachers Responsible:** Dr A Cunat and Dr G Benigno

**Core Syllabus:** The aim of this course is to introduce students to international trade theory and international monetary economics.

**Course Content:** International Trade Theory: This part of the course strives to explain the pattern of trade observed in the world and to account for the prices at which goods are traded. Positive and normative aspects of international markets are examined. Use is made of the theory of comparative advantage, increasing returns, and strategic theories of international trade. Relations between trade and domestic markets for both goods and factors are examined in terms of the theory of trade according to factor endowments. The course studies the effect of trade policy within both partial and general equilibrium frameworks. Economic integration between countries is also discussed using the same modelling tools. International Monetary Economics: Balance-of-Payments Definitions: Discusses the components as well as overall measures of the balance-of-payments. Adjustment Theory: The question of the existence of an automatic mechanism in the international economy which brings about balance-of-payments equilibrium for each of the constituent economies is treated under this heading. Obstacles to the smooth functioning of such a mechanism are also considered. The modern monetary approach to the balance of payments is considered under this topic which otherwise deals with theoretical propositions which are among the oldest in economics. Stabilisation Policy and the Analysis of Disturbances: Here the efficacy of fiscal and monetary policies in determining levels of income and employment under combinations of fixed and flexible exchange rates and fixed and flexible prices is discussed. In addition, the related investigation of the effects on the domestic economy of various external and internal disturbances is undertaken. Asset-Market Models: This topic considers models which carefully specify the demand and supply conditions of the various assets which they include. This permits a somewhat more rigorous and complete analysis of certain questions than do either the simple monetary-approach or traditional Keynesian models. Non-Static and Rational Expectations: This section includes an introductory exposition of the alterations to the previous analysis of open-economy models which result from assuming that expectations of variables are not invariably equal to their

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current values. Some implications of assuming that expectations satisfy rational-expectations criteria are also discussed. Flexible Exchange Rates: The determination of exchange rates, the theoretical arguments for and against flexible exchange rates in comparison with fixed rates, and the practical success of flexible exchange rates over the period of floating are the issues dealt with under this topic. The International Monetary System: This section covers the history and analysis of the international monetary system.

**Reading List:**

The main textbook for the course is D R Appleyard & A J Field, *International Economics*, Irwin, 1995. Other suitable texts are: P Krugman & M Obstfeld, *International Economics*, 3rd edn, Harper 1994; P Krugman, *Rethinking International Trade*; Peter B Kenen, *The International Economy*, 2nd edn, Prentice Hall, 1989; W Ethier, *Modern International Economics*, Norton, 1988; E E Leamer, *Sources of International Comparative Advantage: Theory and Evidence*, MIT Press, 1984; K Philbeam, *International Finance*, 1992; F L Rivera-Batiz & L Rivera-Batiz, *International Finance and Open Economy Macroeconomics*, 1994; P Hallwood & R MacDonald, *International Money: Theory, Evidence and Institutions*, 1994; R MacDonald, *Floating Exchange Rates: Theories and Evidence*, 1988; D Salvatore, *International Economics*, 1993; J Williamson & C Milner, *The World Economy*, 1991; L S Copeland, *Exchange Rates and International Finance*, 1994. Other readings will be given during the course.

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# Monetary Economics

(additional recommended course)

**Course Code: EC321**

**Teachers Responsible:**

Dr E Papa

**Core Syllabus:**

The course provides an introduction to monetary theory, to the effects of monetary variables on the macroeconomic system, the role of the Central Bank and the conduct of monetary policy in closed and open economies.

**Course Content:**

The nature and function of money. Classical monetary theory, neutrality, inflation and the Keynesian revolution. Modern theories of the demand for money. The banking system and financial intermediation. The control of the money supply, the transmission mechanism of monetary policy. The impact of money on economic activity: the monetarist counter-revolution, and rational expectations. The theory of monetary policy. The term structure of interest rates. The role of Central Banks and the regulation of the financial system. Exchange rate systems and international aspects of monetary policy, including European monetary developments.

**Reading List:**

The most useful text books are C Goodhart, *Money, Information and Uncertainty* 2nd edn and B McCallum, *Monetary Economics*. Other recommended books include D Laidler, *The Demand for Money* 3rd edn; M J Artis & M K Lewis, *Money in Britain*; S Sheffrin, *Rational Expectations*.

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# Public Management Theory and Doctrine

(additional recommended course)

**Course Code: GV483**

**Teachers Responsible:** Dr M Barzelay

**Core Syllabus:** The objective of the course is to explore and evaluate a range of different approaches to doctrinal thought about public sector management, combining historical and contemporary ideas. An examination of different traditions of thought in public management is intended to help students evaluate current doctrines of public sector management in a broader historical and cultural perspective.

**Course Content:** Theory, doctrine, and problems in public management. Varieties of doctrine. Doctrinal acceptance. Recurring debates in public management: co-ordination and joint working 'duty and interest junction', approaches to control; anti-managerial ideas. Reform and change in public organisations; cross-national patterns of reform in public management. Public management as discipline, art, science, or profession.

**Reading List:** C Hood, *The Art of the State*, 1998; M Barzelay, *The New Public Management*, 2000, M Thompson, R Ellis & A Wildavsky, *Cultural Theory*, 1990; J Friedmann, *Planning in the Public Domain*, 1987, W Niskanen, *Bureaucracy and Representative Government*, 1971; H Mintzberg, *Designing Effective Organizations*, 1983; L Lynn, *Public Management as Art, Science, and Profession*, 1996.

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# Systems Development

(additional recommended course)

**Course Code: IS471**

**Teachers Responsible:** Dr C Sørensen

**Core Syllabus:** A critical review of the processes by which organisational problems are analysed, and information systems are developed to address these problems. An appreciation of the tools used in systems development.

**Course Content:** The course considers the framing, resourcing and execution of systems development projects within organisational contexts. Particular attention is given to problem structuring and problem design issues. Contemporary analysis and design approaches are critically reviewed. Issues of the design and construction of systems are considered, as well as the implementation of new systems into organisational contexts. The course considers systems development activities within a life cycle model, but contrasts this approach with other contemporary process models.

**Reading List:** C Avgerou & T Cornford, *Developing Information Systems: Concepts, Issues and Practice*, 2nd edn, Macmillan, 1998; G Booch *et al*, *Unified Modelling Language User Guide*, Addison-Wesley, 1999; E Yourdon, *Modern Structured Analysis*, Prentice Hall, 1989; P Checkland, *Systems Thinking, Systems Practice*, Wiley, 1981; D Avison & G Fitzgerald, *Information Systems Development Methodologies*, McGraw Hill, 1996; L Mathiassen *et al*, *Object Oriented Analysis and Design*, Marko, 2000. Selected reading references to other books and papers will be provided.

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# The Analysis of Strategy

(additional recommended course)

**Course Code: MN415**

**Teachers Responsible:** Dr. Saikat Datta

**Core Syllabus:** The objective of the two courses (A and B) is to provide students with a critical appreciation of what it takes to be a strategist – about interactions in the real world, within and outside firms and with other strategists. The critical aspect of being a strategist is to anticipate and prepare in advance for possible reactions of competitors. These two courses will help students to understand how managers in the real world ought to read situations from a strategic angle. The particular emphasis is on the perspective provided by economics on the subject of strategy. Besides applications, stress will also be given to the theoretical underpinnings.

**Course Content:** The course is an interaction of game theory, economics, and strategic management. In this course, students will be introduced to ideas of behaving in strategic situations. This is best illustrated with reference to game theory where the stress is on outplaying a competitor who is trying to outplay you. About 4 lectures and classes will be devoted to building up the flavour of game theory and basic equilibrium concepts (Nash and subgame perfect Nash). Then students will be introduced to models of negotiations and co-operation and co-ordination. In the next three weeks, the focus switches to the costs and benefits of using markets instead of producing the inputs in-house -we look at economies of scale and scope, network effects, contracts and vertical integration. We also look at first mover advantages and disadvantages. The last three weeks will be spent in studying value creation, sustainability and appropriateness of competitive advantages through the Kay classification of distinctive capabilities.

**Reading List:** D Besanko, D Dranove & M Shanley, *Economics of Strategy*, John Wiley, 1996; A Dixit & B Nalebuff, *Thinking Strategically: The Competitive Edge in Business, Politics and Everyday Life*, W W Norton and Co. 1991; J Kay, *Foundations of Corporate Success*, Oxford University Press, 1993; A Brandenburger & B. Nalebuff, *Co-opetition*, Harper Collins Publishers 1996; M Porter, *Competitive Strategy*, The Free Press (New York) 1980; Shapiro & H R Varian, *Information Rules – A Strategic Guide to the Network Economy*. HBS Press (1999).

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