



Brandeis University

Department of
Economics

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October 16, 1985

Dean David Kaplan
Graduate School of Arts and Sciences
Brandeis University

Dear David:

I am enclosing a copy of our proposal for a Master's in International Economics and Finance; we hope that it can be brought before the Graduate School Council at the earliest opportunity.

Dick Weckstein and I would be happy to answer any questions the Council may have concerning the program.

Sincerely,

A handwritten signature in cursive script, appearing to read "Petri".

Peter A. Petri
Associate Professor

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enc.

Proposal for a
MASTER OF ARTS
in
INTERNATIONAL ECONOMICS AND FINANCE

by

Department of Economics
Brandeis University
October 1985

Objectives

The broad expansion of international economic activity is a prominent feature of recent history. Its consequences include serious global crises -- in the past decade, for example, in food, energy, and capital -- and also unprecedented opportunities for trade in goods, capital, labor, technology, and information. No significant American institution can ignore its international context any longer, and international economic analysis is becoming essential for effective government and business strategy.

Increased economic interdependence also holds challenges for the academy. In research, new questions arise about the implications of interdependence -- for example, about the effects of volatile international capital flows on the setting of national economic policy. In teaching, new educational opportunities develop as students seek new kinds of careers in the international field. These careers require sophisticated skills in finance and economic analysis, as well as understanding of the political and cultural forces that move people and institutions worldwide.

A curriculum integrating studies in the technical and liberal aspects of international economics cannot be pursued easily in traditionally specialized schools of business administration or international relations. Business schools typically provide good management skills, but are often not strong in analyzing the social and economic environment of enterprise. Schools of international relations, on the other hand, seldom offer a substantial curriculum in analytic economics and finance. Only some new, small, and encouragingly oversubscribed programs -- the Landegger Program at Georgetown, the Program in International Business Relations at the Fletcher School, and the Lauder Program at the Wharton School -- have begun to bridge this important pedagogical gap.

Several of the specialties required for a significant multi-disciplinary teaching and research center in international economics are already strong at Brandeis. The University offers a wide range of courses in the economic, political, and historical aspects of international economic relations and the faculty includes scholars with major international reputations in this field. With these resources as a base, a new graduate program at Brandeis will effectively address the educational requirements of modern international economics while providing a stimulating context for faculty

and student research.

Principal Features of the Program

The Master's in International Economics and Finance is designed to prepare a small number of qualified students for careers in the private and public sectors, in such fields as banking, business, government, journalism, and the international civil service. Its curriculum would include a liberal arts foundation in international studies, based largely on existing undergraduate courses. It would also offer advanced courses in international economics and finance, some of which are already being taught, but many of which will have to be developed anew. The technical courses will address topics normally taught in policy-oriented graduate economics departments, and in the analytically-oriented management schools. Tentative course descriptions are attached in Appendix C.

Although this combination of courses is unusual, the Brandeis program still faces strong competition. The Fletcher, Georgetown, and Wharton programs already mentioned are well established and popular with students. Other Master's programs at Johns Hopkins and Princeton are not directly comparable because they do not have an economics/finance focus, but also enjoy national visibility. Since these programs are all very selective, if Brandeis merely meets this competition it will be able to attract excellent students. In fact, several factors should help to make the Brandeis program distinctive:

- o an innovative combination of theoretical, technical, and liberal studies;
- o a recognized emphasis on skills in economics and finance;
- o direct international experience, as described below, through study and internships abroad;
- o research strengths in key regional economies, such as East Asia;
- o for Brandeis students, the opportunity to complete the degree in five years, including just one post-graduate year;
- o intimate size, encouraging close interactions between faculty and students and among the students themselves.

The program is likely to appeal not only to potential students and faculty but also to other communities of the university. We have been gratified by the interest of Brandeis alumni and friends who are professionally active in the field of international finance. There is every reason to expect that the program can quickly earn the intellectual and financial support of a diverse outside community. Already, the program has attracted a substantial endowment gift from the Usdan family in honor of Samuel and Lucille Lemberg.

Structure of the Program

There will be several different channels for entering the Master's program. We anticipate that ten Brandeis students will be admitted each

year as undergraduates to work toward completing both B.A. and M.A. requirements in five years of study. Undergraduates will normally enter as juniors, and spread out their Master's studies over three years. In exceptional cases they could enter as seniors and work at a more intensive pace. In addition to Brandeis undergraduates, ten to fifteen students from other colleges and universities will be admitted annually either as transfer students (entering as Brandeis juniors or seniors) or as candidates for a two-year, post-B.A. Master's degree. We expect that a number of these will be foreign students.

An incoming Brandeis freshman with a potential interest in the program will initially follow a standard undergraduate curriculum, with emphasis on courses that are prerequisites to the program. These include introductory courses in economics and politics and in some cases double as University requirements. The student would be urged to develop language skills beyond the usual University requirements. A complete list of prerequisites and other requirements is provided by Appendix A; a model schedule of courses taken appears in Appendix B.

The student entering through the undergraduate channel will normally apply for admission to the Master's program in the spring of his sophomore year and begin taking core courses and electives in his junior year. The first half of the senior year would be spent abroad, to expose students to views of economics and finance abroad, and to opportunities for pursuing special area interests. Prior preparation at Brandeis would make students eligible to enter graduate-level programs abroad. To maximize the productivity of foreign study, Brandeis would make special arrangements with a few key universities that are strong in areas of interest to the program. These arrangements will include tutorials and other activities specifically tailored to the needs of Brandeis Master's candidates.

The student's last three semester will be spent at Brandeis in further core and elective studies. (Brandeis students entering as juniors would also have substantial time to take electives outside the program.) The final year would include further course work and a Master's project -- either a thesis in the traditional mold, or a report on a project carried out as an intern or consultant. All graduate students will participate in a seminar on current issues in international economics and finance. This seminar will bring together outside professionals and academics and provide a forum for faculty and student research.

We expect the applications process to be competitive, and most of the students admitted should have a high level of commitment to completing the program. Naturally, some may change their interests or career plans and wish to return to the B.A. track. This poses no procedural problem: a junior or senior who had participated in the program would have as many (or perhaps more) economics courses than a typical economics concentrator and would satisfy concentration requirements. In general, Master's candidates would also receive a B.A. in Economics at the end of their fourth year at Brandeis, although their schedules are flexible enough to permit other fields of concentration as well.

The dozen or so electives offered annually under the auspices of the program would be limited in size, but open to all qualified undergraduate and graduate students. About ten Master's students could be expected in a typical elective, leaving space also for advanced undergraduates and

graduate students from other departments. By mixing advance undergraduates with Master's students, the program would substantially widen the range of advanced electives available to economics students at the undergraduate level.

Faculty, Administration, Financial Aid

While many of the faculty members needed to staff the program are "on board" in the economics and other departments, additional appointments are crucial to make the program successful. Approximately four appointments in the general area of international economics will be required over the next three years. Owing to the present understaffing of the Economics department, there is administration support for making these and other new appointments. The existence of the program should help to attract faculty who might otherwise not have considered an appointment at a primarily undergraduate institution.

The program will generate the usual administrative burdens associated with graduate education, including publicity and development, student recruiting, admissions, internship placement, job placement, and organizational support for academic activities such as seminars. Given the relatively large number of students involved, these tasks will eventually require a full-time professional administrator and a secretary, as well as a quarter-time faculty director.

The success of the program depends critically on the quality of students enrolled during its initial years; confidence in the program needs to be established quickly and simultaneously among prospective students, faculty, and outside professionals. To ensure that talented students enroll, good financial support should be provided for the fifth year of study. Fortunately, two endowed sources of financial support already exist -- the Feld and Scharfman Scholarships -- and will help to finance a substantial part of aid requirements during the initial years of the program when class sizes are still well below the ultimate level of approximately 20.

Appendix A
REQUIREMENTS

Prerequisites

Economics 2a, 8b, 80a, 83a, or equivalent
Politics 15a or equivalent
High level of spoken and written proficiency in a modern language

Core Courses

International Economics and Finance I and II
International Corporate Finance
Accounting and Financial Analysis I
Seminar on Current Issues in International Economics and Finance

Electives

Five, to include one from a group of area courses, and one
from a group of case study courses

Master's Project

One-semester research paper

Appendix B

MODEL SCHEDULE

The schedule below reflects the courses that might be taken by a student pursuing finance interests. Other tracks could include international trade, international policy, or theoretical international economics.

Prior Years

Economics 2a, 8b, 80a and 83a
Politics 15a
Language competence

First Year

Fall

International Economics and Finance I
Multinational Corporation
2 courses outside program

Spring

International Economics and Finance II
Accounting and Financial Analysis I
International Corporate Finance
1 course outside program

Second Year

Fall (Keio University, Tokyo)

Japanese Economy
Japanese Culture
Japanese History
Special Seminar in U.S.-Japan Economic Relations (at Keio)

Spring

Accounting and Financial Analysis II
Legal Context of International Business
International Financial Markets
Seminar on Current Issues (audit)
1 course outside the program

Third Year

Fall

International Finance Cases
International Business Strategy
Computers and Information Systems
Thesis / Seminar on Current Issues
1 course outside program

Spring

International Financial History
Advanced International Finance Theory
Political Economy of Interdependence
Thesis / Seminar on Current Issues

Appendix C

BRIEF COURSE DESCRIPTIONS

Asterisk indicates courses currently or recently offered at Brandeis.

A. Advance Preparation

Economics 2a*, 8b*, 80a* and 83a*

Undergraduate courses in introduction to economics, analysis of economic problems, intermediate micro theory, and quantitative methods.

Politics 15a*

International relations.

Language

Conversational, writing, and reading skills in at least one major modern language.

B. Core Program Courses

International Economics and Finance I and II

Introduction to open economy macroeconomics, international trade, and international financial institutions and markets. Also assumes the role of the conventional intermediate macro economics course.

Accounting and Financial Analysis I

Introduction to accounting, international accounting, and financial analysis.

International Corporate Finance

International capital markets, techniques of managing exposure to exchange rate fluctuations.

Seminar on Current Issues in International Economics and Finance

Weekly seminar bringing practitioners and academics together in discussions of important current issues in international finance.

C. Program Electives (open also to qualified undergraduates)

International Finance Cases

Case studies in practice of international corporate finance

International Business Strategy

Case studies in international investment and trade strategies

Accounting and Financial Analysis II

Financial analysis with special emphasis on valuation of economic enterprises

International Trade Policy*

Objectives, tools, and conduct of commercial policy with emphasis on current OECD practices

International Financial Markets

Institutions and instruments of international capital markets

Legal Context of International Business

Principles of law affecting international finance, trade, and investment

Developing Economies*

Theory and case studies in economic development

Multinational Corporations*

Causes of multinational investment and structure of multinational firms

International Financial History*

International financial relations since 19th Century

Political Economy of Interdependence*

Government-business interactions and international negotiations affecting international commercial and financial regimes

Economy of East Asia***Economy of Europe****Economy of Latin America**

Introduction to economic structure, decision-making institutions, and business-government interactions of the regional economies

Computers, Information Systems

Introduction to use of computers for planning and management information systems; quantitative models of exchange rates and international macroeconomics

Advanced International Trade Theory*

Determinants of trade, effects of commercial policy

Advanced International Finance Theory*

Advanced models of interdependence