International Summer Program 2007

Preparatory Questions

Introduction

• Name 5 countries that do not use the Euro as currency.
• Name 5 countries that joined the EU in 2004.
• Name 5 sights in Europe.
• Name the capital of Lithuania, Sweden and the Netherlands!
Who is Barroso?
Germany - An Introduction

• Discuss the main social, political and economic problems that Germany currently has to face.

• Imagine you are back home. Describe Germany to your friends using basic facts about geography, population, culture, sports and economy.

• Outline the economic situation in Germany by means of key economic data and give a short comparison with your home country.

• Do you think Germans have to worry about their economic future, especially regarding the past economic development and possible growth perspectives?
European Union: An Overview

• Give an overview of the process of enlargement of the European communities. Give an assessment of further enlargements of the European Union.

• Discuss the development of productivity in Europe in the post World War II period. Discuss the reasons of the productivity gap of Europe vs. the USA.

• Discuss advantages and disadvantages of European integration.

Economic Integration

• Please describe the different stages of economic integration and give an example for each stage.

• Outline the different stages of the economic integration process in Europe.

• Please name three advantages of economic integration and reasons why they might not work in reality.
Germany - From Cold War to the Breakdown of the Iron Curtain

- Please describe the differences between the FRG and the GDR during Cold War.
- Please discuss the key economic factors for fast reconstruction in the FRG.
- Please discuss the economic problems in Germany after Unification.

The System of Institutions within the EU

- What does the Principle of Subsidiarity say? Why do you think such a principle is necessary?
- What is the “Principle of Degressive Proportionality“?
- Give reasons why former completely sovereign states decided to share some of their power with other member states within the EU? From your point of view, do you think the EU has been successful in achieving these goals?
Monetary Integration

• Describe the process and the purposes of the European Monetary System (EMS).
• Describe the three stages towards the European Economic and Monetary Union.
• Describe the Maastricht convergence criteria countries have to fulfil that want to join the EMU.
• Is Europe an optimum currency area? Give arguments for and against this thesis.

ECB & Fed - A Comparison

• What are the differences between the ECB and the FED in terms of objectives and strategies? What are the advantages of each?
• What is inflation and why is it an important objective of the ECB and the FED?
• Name the most important differences between the Euro area and the US. Which impact have they got on the strategies of the ECB and the FED?
Enlargement of the EU: The Accession of Turkey

• Please name the years and accessing countries of the previous enlargements of the European Union.

• What were the benefits of the 2004 EU enlargement?

• Should Turkey be a member of the European Union?

Cross Cultural Management

• What is Globalization? Define or redefine the “phenomenon” Globalization and give several reasons/explanations for your definition.

• How is Globalization measurable? Explain the “Globalization Index“ and its worldwide development until 2004 while describing one indicator of each “globalization area/sector“.

• What are the main “globalization accelerators“ and the most difficult to handle challenges? Give several reasons for your choice and describe possible worldwide solution paths.
European Environmental Policy

- All environmental instruments have the same aim: Internalization of external costs. Please classify them by their means of enforcement and give an example.
- There are different instruments to internalize external costs. Please name them and choose which one you think is the best and explain why you think so.
- You have heard two case studies: The European carbon emissions trading and the REACH program. Choose one and explain its general idea and how it works.

Corporate Governance and Private Benefits of Control

- A holds 29 % of the shares of B (300M shares, market price $5). An Investor Inv is interested in acquiring control. Assume that Inv will realize Private Benefits of $105M and transaction costs of $1.5M. The management capabilities of Inv are not as good as those of A. Due to that a decrease in the value per share of 10 % is expected. What is the expected economic benefit of Inv in the following transaction:
  - Inv buys the shares of A at the current market price.
  - Inv acquires the rest of the shares required for control by a public tender offer at a 20 % premium.
- Define the notion of “private benefits of control“, (PBoC). What types of PBoC exist?
- Explain the notion of Corporate Governance in the German context.