First Class Assignments is published each term to inform students of assignments to be prepared before the first class meeting. These pre-assignments are mandatory for students enrolled in the class and strongly recommended for those who hope to add any of these courses during subsequent phases of registration.

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PayPal Holdings Inc. completed its initial public offering in February 2002 and listed its common stock on the NASDAQ. It released its annual report for fiscal year 2022 in February 2023. Answer the following questions using PayPal’s Annual Report (10-K) for the fiscal year 2022 and its Financial Statements and Supplementary Data in Item 8. All numbers are in millions, unless otherwise noted.


2. What is PayPal’s total stockholder’s equity (i.e., “book value of equity”) at December 31, 2022? What is PayPal’s market value of equity (i.e., “market capitalization”) at December 31, 2022? Are the two values the same? Why or why not? (Note the stock price on December 31, 2022 is $71.22)

3. What is PayPal’s retained earnings at December 31, 2022? At December 31, 2021?

4. What is PayPal’s net earnings (aka net income) for fiscal year 2022? Earnings-per-share? What is PayPal doing with most of its net earnings – retaining it for use in the business or distributing to shareholders? Does PayPal pay cash dividends? If yes, how much dividends are paid out to investors. If not, why does the company not pay dividends?

5. Is PayPal’s net earnings for 2022 the same as their cash from operating activities? Why or why not?

6. How much cash and cash equivalents does PayPal have at December 31, 2022? Is this amount the same as, greater than, or smaller than the amount they had the year before at December 31, 2021? What are PayPal major sources and uses of cash in 2022?

7. What did PayPal’s auditors conclude about PayPal 2022 Financial Statements?


2. Review file on Erickson Canvas site "First Class Articles."

3. Read:
   - Syllabus.
   - Smith: Getting Started with the 10-K and Proxy Statement.
   - Smith: Industry Analysis and Sources of Information.
   - Excerpt from WBB, pp. 8-16 of Chapter 1 (Identify the Industry Economic Characteristics)

Questions Due: Week 1 Short Questions: Overview of the Firm and Industry Analysis.
To be submitted on Canvas before first class.
(Read and be prepared to discuss. Not to be submitted.)
All course materials are on Canvas.
### 31401 84 Volden, Richard
Go to the Canvas site. Read the syllabus and complete Assignments 1 and 2 as directed before the first class session on September 27. These assignments will be available on September 8.

### 31403 85 Davis, Harry
(DUE PRIOR TO FIRST CLASS) Written: Getting Started by Looking Forward
Write this to yourself, not what you think the faculty would like to hear or based on class readings. Be true to your own values and goals.
In 1 page, think of the leader you will be in 10 years:
How will your followers feel because of your leadership in challenging times?
What major difference do you want to make in the lives of your followers?
*Be sure to include your name on your paper and in your file name.*
**NOTE:** This assignment is required. It is intended to help you apply the work in this class to your own personal interests and development.
**Please post your response on Canvas by Friday, September 29 at 12pm (noon).**
For each of this week's required readings, please answer the following question in at least 1-2 paragraphs. Submit your answers in one document via Canvas before Friday, September 29 at 12pm (noon).
Question: As you read this piece what concepts, phrases and/or sentences most connected with you? Why?
Harry Davis, “Leadership Education at Chicago Booth,” 2023
Harry Davis, “A Leadership Canvas,” 2023
Harry Davis, “Multiple Selves and the Stage Page Metaphor,” 2023

### 33001 05/06/85 Gibbs, Michael
Before the first class, please do the following:
1. Canvas: access the class site at https://canvas.uchicago.edu. Class documents will be posted here during the quarter.
2. Syllabus: Read this carefully, first. It lists the sections of the textbook that we will cover, by approximate class session. You may want to start reading the text before class. It also lists the problems in the textbook’s Study Guide that I recommend for this course. Start working practice problems soon, so that you stay caught up.
3. Math Prep: review the textbook’s Mathematical Appendix, pp. A1-A12. This will give you a good sense of the level of math required for this course.
4. Reading: read Chapter 1, and assigned pages of Chapter 2 listed in the syllabus.
5. When feasible, set up a study group with classmates (5 maximum per group). You will work on and submit homework together.

### 33310 81 Pogrund, David
Reading: Chapter 2 - Employment Contracts, At Will Employment and Wrongful Discharge.
34101 01/02 Kaplan, Steven

For the first class meeting, students should prepare the Yale University Investments Office and Canadian Public Pension Investment Board (CPPIB) cases in the Canvas course site. Students (including those who are attempting to register for the course) should use the detailed questions given in the course packet to organize their thoughts and put together a one- or two-page memorandum that summarizes their analysis. Please submit the memo in Canvas. If you are not registered, but are trying to get into the course, please attend.

34102 01 Bunch, Gregory

Imagine a World

Your first assignment is to come up with an "I imagine a world..." statement. You will give your statement as part of your self-introduction during the first class.

* Read Kevin Kelly's [https://www.warpnews.org/premium-content/kevin-kelly-the-case-for-optimism/](https://www.warpnews.org/premium-content/kevin-kelly-the-case-for-optimism/)

Imagine a world in which [x-problem-is-solved]. Sometimes students think that these must be big problems like world peace or ending hunger. That is not necessary at all. Your problem could be quite ordinary. This exercise is designed to give you a chance to explore or do a deep dive into a problem, a sector, a category. Choose something that interests you.

Write a short blog post to accompany this statement (≤ 250 words). The written piece will be posted in the blog by the beginning of Week 1. 

**Title:** "I imagine a solution to x problem"

**Problem:** What is the problem? Who does it affect? Estimate number of people affected by the problem. Estimate the financial opportunity.

**Solution:** How is this problem dealt with today? How well? Who is working on it: business, government, nonprofit? Product? Service? etc

* How would you solve this problem?
* For the purposes of this post, imagine that money is not the constraint.

Why are we beginning the class with this assignment? Entrepreneurship begins with imagination. Someone recognizes a problem or opportunity. Imagining a different reality than currently exists is the first step towards coming up with a solution. In some cases, this is the beginning of a startup business.

34102 85 Schrager, James

Attendance in the First Class is Mandatory. If you are unable to attend, email the professor for a make-up assignment.

34106 01/81 Meadow, Scott

Reading, case analysis, and group formation due Class 1. See class Canvas for details.

35201 01/81 Born, Laura

**Required Reading:**

Course Syllabus – on Canvas

**Required Pre-Recorded Lecture:**

Intro to the class

*Continued on Next Page*
**Optional:** Watch/Listen to: Basics of Valuation – via 2 pre-recorded lectures in CANVAS – Week 1. Slides for these lectures will be on CANVAS.

**Complete 2 Week 1 timed Required Quizzes on line on CANVAS** when you feel you are ready

(There is no quiz for the Intro to Class Lecture)

**Prepare case in your group; write up due at class meeting time:** ARAMARK Case.

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<tr>
<th>35210 01/81 Rajan, Raghuram</th>
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<tr>
<td>Do the readings for the first class as suggested on Canvas. Read the Unilever case (no write up is needed) and be prepared to answer the following questions:</td>
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<tr>
<td><strong>Case 1: Unilever’s New Global Strategy: Competing Through Sustainability</strong></td>
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<tr>
<td>1. How would you evaluate Paul Polman’s 2010 decision to implement Unilever’s Sustainable Living Plan strategy?</td>
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<td>2. How would a large shareholder in the firm view the strategy at that time?</td>
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<td>3. How effective was the strategy at the time of the case? What had it done most effectively? What problems or concerns are emerging now?</td>
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<td>4. What should management do now? Which of the three options would you favor?</td>
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<td>5. How would you implement the option?</td>
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<th>35215 01/81 Vishny, Robert</th>
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<td>Please do the readings in the Introduction section of the syllabus and begin the readings in the Puzzles and Anomalies section. Before class, think about the week 1 discussion questions on Canvas and come prepared to discuss. Please bring your nameplates to class.</td>
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<th>37000 01/02/03 Dietvorst, Berkeley</th>
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<tr>
<td>Read the syllabus on Canvas before the first class.</td>
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<th>37000 81 Krohn, Christopher</th>
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<tr>
<td><strong>Topic: Course Introduction</strong></td>
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<td>In week one we start with an overview of the content and mechanics of the course. Among other topics, we will define the domain of marketing and discuss a philosophy for managing the enterprise via this domain. We will also introduce an overall framework for marketing strategy and implementation. Throughout the remainder of the term, this framework will then serve as the principal unifying structure for the various topics covered in the course.</td>
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<tr>
<td><strong>Preparation: Readings for Week 1</strong></td>
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<tr>
<td>1. “Driving Growth: The Little Engine That Could” from Counterintuitive Marketing; Clancy, Kevin and Krieg, Peter. This short reading begins to define the scope and philosophy of marketing.</td>
</tr>
<tr>
<td>2. “From Sales Obsession to Marketing Effectiveness;” Kotler, Philip. Introduces the role of marketing within an organization, presents criteria for evaluating its effectiveness, and also briefly touches on the scope and philosophy of marketing.</td>
</tr>
<tr>
<td>3. “Basic Quantitative Analysis for Marketing;” Dolan, Robert J. Covers accounting concepts relevant to marketing (fixed costs, variable costs, contribution, margin, etc.) and breakeven calculations.</td>
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*Continued on Next Page*
Also, be sure to carefully read the Course Syllabus. You are responsible for understanding and adhering to all policies and guidelines discussed in the Syllabus.

38001 01/02/03 McGill, Ann

Welcome to Managing in Organizations. This course is about people – how people think and how people behave – and it is intended to provide core concepts and basic knowledge necessary to manage people individually, in groups, and in organizations effectively.

Before the first class, please prepare the following:
1. Read the syllabus and familiarize yourself with the course requirements.
2. Purchase the required books.
3. Read and prepare for discussion the case A Tale of Two Plants by Keller, Outliers by Gladwell chapter 1, and Think Again by Grant Chapter 1. More information on these assignments is provided in the detailed first assignment instructions posted on Canvas.

38126 01/02/85 Talhelm, Thomas

Read “Caveats for Cross-Border Negotiators” article.

40101 01/81 DeHoratius, Nicole

Class #1: Strategic Role of Supply Chains

Introduction – we will discuss supply chain management and it’s important to the success of the firm.

Read
- The Triple-A Supply Chain. Lee, Hau L. In Harvard Business Review, Case No. R0410F. Published 10/01/2004 (13 pages). In a global market, companies are faced with diverse customers in geographically distributed markets with very different needs, highly uncertain market conditions, changing tastes and technologies, and the dependence of value chain partners in the delivery of goods and services. Given such challenges, companies need to be agile and flexible to respond to the uncertain market, adaptable to systemic changes in demand and supply patterns, and have the incentives of value chain partners properly aligned. This is what the AAA of agility, adaptability, and alignment is about. Together, these capabilities form the basis on which superior value can be created in your firm.

ITC eChoupal. ITC is a multi-billion dollar giant in the agricultural business in India. It recently launched an initiative called e-choupal that revolutionized the 100 year old mode of operation in India’s soybean supply chain. The case describes how ITC overcame various challenges that arose from the lack of infrastructure and how it compromised with the existing players in the supply chain. The innovation came in three dimensions - markets, technology, and dis-intermediation.

- Be prepared to discuss the following questions in class. Draw on the readings, your relevant work experience, and any existing knowledge of case issues.
  1. What was ITC’s motivation for creating the eChoupal?
  2. What principles did it employ as it built the newly-fashioned supply chain?
  3. What are the old and new physical flows and information flows in the channel?
  4. What barriers did ITC face in embarking on this project?
  5. How should ITC develop this platform for the future?

Inventory Basics Review. We discuss two models – the Economic Order Quantity (EOQ) and the “newsvendor” model. The EOQ determines the optimal ordering quantity by trading off the cost of

Continued on Next Page
holding inventory and the cost of ordering in fairly stable contexts. The "newsvendor" model is a simple but important methodology for determining the optimal order quantity and level of product availability in the context of short-life cycle products, e.g., fashion goods whose value quickly decay over time.

Read

**42001 01/02/81 Wollmann, Thomas**

**Required reading: the Syllabus**

It covers important topics such as schedules, submissions, exams, grades, group work, et cetera.

**Required case: Moneyball**

The case consists of two articles. “The Trading Desk” is a condensed version of Michael Lewis’s book, Moneyball. “An Economic Evaluation of the Moneyball Hypothesis” is an empirical study of Lewis’s claims. You are not responsible for the nuanced statistical issues in the second article but should try to understand the issues at stake, how Hakes and Sauer investigate them, and what the data shows. Note that although the articles make extensive references to baseball, being unfamiliar with the sport will not put you at any meaningful advantage. Just think of professional sports teams as firms trying to make money. (If you think background information would be helpful, there are several short videos online that describe the basic rules of the sport. See, for example, this one: https://youtu.be/hLaoogq_uIU.)

Use the questions below to help you prepare, and submit your responses to them via Canvas. (If you do not have access to Canvas in the 1st week of the course, access the readings and syllabus at the bottom of the website http://thomaswollmann.com, and email your responses to the TAs, whose addresses are in that syllabus.) Be prepared to give clear and concise answers to these questions, but do not confine your preparation to these issues exclusively.

1. Would you rather buy a team like the New York Yankees that wins a lot of games or a team like the Pittsburgh Pirates that don’t typically win many games?
2. Do you think the A’s owners earned excess returns while Billy Beane was GM?
3. What specific fact did the A’s most use to outperform other teams with similar budgets?
4. What broader strategy did they employ to outperform? What assets allow them to do this? How hard would it be for another team to imitate them?
5. (This question requires some thinking outside the confines of the case material. I will not cold call on anyone for it.) Was the broader strategy they used always feasible? Was it possible this opportunity existed since the beginning of baseball? What changes around the 1990s, outside the world of baseball, may have presented the opportunity?
6. (This question is also a stretch. Venture a guess if you are not sure.) Hakes and Sauer argue certain skills were underpriced. Managers—strategic, financial, operational, marketing—take actions to exploit market opportunities, so they frequently make arguments like this one. These arguments typically assume that the market is currently “wrong”—a dangerous assumption! Can you give an alternative explanation for these results that do not imply the market was wrong?

**Suggested reading: Cabral Chapters 1-3**

Chapter 1 provides a brief overview of industrial organization, the subfield of economics that focuses on firm behavior. Chapter 2 and 3 review some basic microeconomic ideas. This should be a review of material with which you’re already comfortable. Skip “prospect theory” in Chapter 2, and stop at the top of page 54 in Chapter 3.
READINGS

- Read over the syllabus
- Read/ review Cabral
  - Ch. 1 (Micro Review: Ch. 2.1-2.2, Ch. 3.1-3.2, Ch. 4.1, Ch. 5.3, Ch. 8)
- Read Porter: “Note on the Structural Analysis of Industries”
- Watch the movie *Money Ball*, or read the book. We will discuss this during the lecture.

Note: This class will draw heavily on material from your microeconomics class. If you are unsure of your command of that material, I strongly recommend that you spend some time reviewing it before we begin. Some chapters from the Cabral book that are helpful for review are noted on the syllabus.

CASE DISCUSSION QUESTIONS

Cola Wars

1. Are Coke and Pepsi in an attractive industry? What about the CSD bottling industry? How did profits in each industry look like historically?

2. Perform a five forces analysis of Coke and Pepsi’s industry, treating the concentrate producers and bottlers as an integrated entity. Then think about how your five forces analysis would change if you treated the CPs and bottlers separately. In your analysis, try to come up with evidence for each of the following:
   - How intense is rivalry among firms in the industry? Why?
   - How much power do suppliers and customers have?
   - How large are barriers to entry?
   - How much competition is there from substitute goods?

3. Who has been winning the cola war?

*** Because this is the first week, you do not need to turn in a memorandum. Make sure you are prepared for the discussion. ***

42121 81 Morrissette, Stephen

Please access the Canvas site and complete the tasks listed in the “Pre-Work” folder in the Course Documents area prior to the first class meeting. If you are not yet officially registered for the course and do not have access to the Canvas site for this course, please email the professor at stephen.morrissette@chicagobooth.edu to obtain access to the materials. The Canvas site will open approximately one week before class begins.

42125 01/81 Hachikian, Christina

Students need to log on to canvas and read the required readings. They also should start forming groups for cases.

42126 01 Ittelson, Mary

Part I: Thursday Due 10/19 by 1:30pm CT, Take a Self-Guided Art Tour of 12 selected works from the Booth Collection located in the Harper Center, and complete a short survey. Allow 45-60 minutes.

Part II: Due Wednesday 10/25 by 1:30 pm CT, Complete and submit a 150-word response (bullet points or prose) to a short prompt.

Part III: Due Thursday 10/26 by 1:30pm CT, Review the syllabus and Introduction Module in Canvas. Watch short video (4 minutes) and read 3 short articles. Optional: 2 additional short videos and 2 additional short articles.
YOUR PIVOT SURVEY:
KEY PERSONAL/PROFESSIONAL LIFE PIVOTS
THAT WORKED AND THOSE THAT DIDN’T

After you’ve read the Introduction to Pivot for Success, I’d like each of you to think about and list up to 2 personal and 2 professional pivots in your life that worked, and up to 2 personal and 2 professional life pivots that didn’t work that you are comfortable sharing in class. The purpose of this exercise is to identify key decisions that you made, why you made them and the lessons that you learned along the way. This exercise can be a surprising ice-breaker and will open up ways of thinking and remembering your deeper selves as you move forward to your future Pivots for Success! The survey will be posted on Canvas, and please bring your answers to class.

"Please read Lean Start Up Summary by Eric Reis - will be posted on Canvas."