

## Winter Project

Now it is time for a term project. The purpose of this project is to give you an opportunity to conduct a real world analysis on issues pertaining to corporate governance. This project will determine 30% of your grade. The report can vary in length, but it should not exceed 30 pages, including exhibits. It should be double spaced with normal margins.

I suggest the following topics for the project, but you are not limited to them. In the event that you choose another topic, you would need to get my permission by providing me a project proposal in advance (not exceeding 2 pages).

- A.       **Critical Review of the Interim Report of the Committee on Capital Markets Regulation:** The review should reflect the insights that you have obtained from the course, and it should be done in a systematic fashion: <http://www.capmksreq.org/research.html>
  
- B.       **Case Analysis of General Motors (Text, p. 343):** There are guideline questions on p. 379, but you are not limited to them and you can bring your own unique perspectives to the case analysis.
  
- C.       **A Study of the Governance System of a Particular Company:**  
This project is based on a company of your choice. In fact, you may find it convenient to choose one of the Washington area companies; eg., *Marriott International*, *Lockheed-Martin*, *US-AIR*, etc. This will afford you an opportunity to consult executives or directors in person to improve your analysis and gain additional insights.

## Cases and Basic Guidelines

The CoursePack includes the following HBS cases and notes. Five of the cases require team preparation and presentation. The two notes facilitate your understanding of the issues discussed in the course, namely executive stock option contracts and the regulatory reforms. There will be a couple of assignments that require individual effort, and they are available via BlackBoard. One of them is the Bronson Electronics case on valuation of a convertible bond.

### Cases:

*The Perfect CEO*  
*Delphi Corp*  
*Executive Compensation at GE [And B]*  
*Al Dunlap at Sunbeam*

*The Hermitage Fund: Media and Corporate Governance in Russia*  
*The Enron Collapse (Text: CD-ROM)*  
*Accounting Fraud at WorldCom*  
*PetroChina: International Corporate Governance with Chinese Characteristics*

Notes:

*“What You Need to Know About Stock Options”*  
*“The Sarbanes-Oxley Act”*

Guideline questions for the cases will be posted on BlackBoard before the cases are due. While analyzing the cases, you should be aware that there are no absolute right answers to the issues raised. However, there are good and bad arguments, and the case preparation and class discussion, as well as the case briefs (write-ups), should help distinguish between sensible and senseless arguments. Generally your presentations should include: (a) clear statement of the problem and the salient issues raised in the case, (b) clear analysis, and (c) recommended solutions or actions. You should consider yourself as a *consulting group*, and your audience (the class) is the *management team* or *the board of directors* of the company. Your continued employment as consultants will be critically dependent on your ability to *communicate* clearly, the rigor in your *analysis*, and clear and forceful *justification* for the recommended actions.