

Singapore Management University

## Institutional Knowledge at Singapore Management University

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Report to Stakeholders

University Heritage

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1-2001

### Singapore Management University Report to Stakeholders 2001 - 2002

Singapore Management University

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# SINGAPORE MANAGEMENT UNIVERSITY

Report to Stakeholders  
2001 – 2002



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## Chairman's Message

If the first year of incorporation was the paving of the foundation for SMU, the second year was one of laying the first building blocks. For the university, this was a year for surging ahead – of exploration and adventure.

With a sizeable student population, a faculty of international repute and two schools going on three, SMU is growing from strength to strength at an unbelievable rate. But beyond sheer numbers, I sense and see a spirit of fervour and adventure in the work of students, faculty and staff in every corner of this institution that we have founded. Our students have beaten the odds to win international business competitions and shown their mettle in all areas ranging from sports to culture to community activities. They display a thirst for challenging the unquestioned, for conquering the unknown.

This is the very same spirit that the Singapore government has been striving to nurture – that which is believed to spur entrepreneurship, the passion for enterprise and the eagerness to make things happen.

At SMU, we deem it our public duty and our educational philosophy to encourage and mould this spirit of adventure. An apt analogy would be the careful honing and shaping of a raw diamond until it sparkles with brilliance. Our undergraduates enter SMU brimming with potential – with guidance and gentle chiselling, they will emerge as constructively creative, purposeful and developed individuals, ready to face the rigours of working life.

## SMU will shine as the foremost proponent of entrepreneurship in the globalised world

Enabling a potential entrepreneur's willingness to embrace risks and exploit research for industry and academic purposes is what the university is aiming for. We believe that the four years undergraduates spend at SMU are ones well-invested. It is our hope that they will use their knowledge and skills gained here to improve lives and spur enterprise.

With an irreversible move into a new economic landscape, one that places a high premium on the spirit of innovation and creativity, SMU will shine as the foremost proponent of entrepreneurship in the globalised world.

Certainly, we are still the new kid on the block and have yet to deliver what we claim. Many eyes are on our first batch of graduates, in 2003, to fulfil the expectations of their founders. Having encountered the electrifying vigour of these students, I would not hesitate to lay my bets on them.

This university is unique. The faculty and staff know and feel the spirit, the students radiate it. The uncompromising pride they display of SMU is heart warming and a lesson to us all. This will be an adventure where there can only be winners.

A handwritten signature in black ink, reading "Ho Kwon Ping". The signature is fluid and cursive, with the first letters of each name being capitalized and prominent.

Ho Kwon Ping  
Chairman, Board of Trustees  
Singapore Management University



## President's Message

Exciting developments have taken place at SMU since a year ago. The achievements we have garnered in the academic arena are impressive for any new university. Two degree programmes – Business Management and Accountancy – were successfully launched with a third – Bachelor of Science (Economics) – on board for 2002. All programmes were overwhelmingly oversubscribed.

On the faculty front, recruitment proceeded at full speed with numbers burgeoning from 37 in July 2001 to 85 in July 2002. Hailing from prestigious backgrounds with notable research and teaching credentials, our faculty form the spine of SMU's learning community.

Our collaborations with partner universities too surged from 20 to 34 in just one year, a remarkable feat by any standards. All these are clear indications that individuals, corporations and academia are convinced of the potential of SMU; that SMU is the university to be associated with in this knowledge economy.

From our recent accolades and what we are striving to build on, SMU is on the right track of firmly grasping the possibilities thrown up in this globalised world. We facilitate an environment which challenges the status quo and seizes opportunities. In our inaugural Ho Rih Hwa Leadership in Asia Public Lecture, Senior Minister Lee Kuan Yew spoke precisely of the importance of cultivating such entrepreneurs in this generation of youths, for the future of the country.

In line with this focus on entrepreneurship, we organised the Lee Kuan Yew Global Business Plan Competition, attracting a barrage of world-class proposals and ideas from around the globe. Geographical barriers were broken down with an online submission and judging system, once again demonstrating our commitment to nurturing creativity and innovation without boundaries.

Our students have already begun to reap the rewards of the SMU approach by clinching victory at the NUS Business School Case Competition and then at an international level, at a prestigious case contest at the Copenhagen Business School. Taking into consideration our modest cohort size, it was indeed David triumphing against the Goliaths.

Fostering this synergistic community of learners – students, faculty and staff – will remain our mission for our near future. With the beautiful Bukit Timah campus serving our present needs, work has already begun on the much-anticipated permanent campus in the city. As the physical structures unfold to complement this goal, so do our people grow and develop in tandem with the university.

My gratitude goes out to the Singapore government and the Board of Trustees for their unfailing trust in our vision for SMU. With theirs and the support of the community, the pioneering fire of this university will burn on.

A handwritten signature in black ink that reads "Ronald E. Frank". The signature is written in a cursive, flowing style.

Prof Ronald Frank  
President  
Singapore Management University

# Board of Trustees



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Chairman  
Banyan Tree Hotels & Resorts

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**Prof Janice Bellace**  
(Vice Chairman, Academic Affairs)  
Samuel Blank Professor of Legal Studies  
Director, Huntsman Program in International  
Studies & Business  
The Wharton School of the University of  
Pennsylvania  
*[Appointed w.e.f 18 September 2001]*

**Mr Cheah Kean Huat**  
Managing Director  
Hewlett Packard Singapore Pte Ltd

**Mrs Fang Ai Lian**  
Managing Partner  
Ernst & Young

**Prof Ronald Frank**  
*[w.e.f 18 September 2001]*  
*Prof Frank is President of SMU*

Dean Emeritus/Asa Griggs Candler  
Professor of Marketing Emeritus,  
Roberto C. Goizueta Business School of  
Emory University [USA]  
*[Resigned w.e.f. 18 September 2001]*

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**Ong Keng Yong**

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Press Secretary to PM and  
Deputy Secretary (Special Duties)

**Mr Jaspal Singh**

Deputy Secretary (Communications)  
Ministry of Transport



**Ms Seah Jiak Choo**

Director of Schools  
Ministry of Education  
*[Resigned w.e.f. 11 January 2002]*

**Mr Sunil Sreenivasan**

Country Corporate Officer  
Citibank, NA

**Mrs Tan Ching Yee**

Deputy Secretary, Policy  
Ministry of Education  
*[w.e.f. 1 July 2002 Mrs Tan  
is the CEO of InfoComm  
Development Authority]*

**Mr John Wong**

Partner  
General Atlantic Partners





# Milestones

April 2001 – March 2002

## 2001

- 8 May** Mrs Ho Lien Fung donated S\$500,000 to SMU for establishment of the Ho Rih Hwa Leadership in Asia Public Lecture Series.
- 12 August** Education Minister RAdm Teo Chee Hean announced SMU's new School of Economics and Social Sciences at SMU Convocation 2001.
- 15 August** SMU initiated archaeological trial-trenching at City Campus site to preserve historical artifacts at Bras Basah park.
- 20 August** Bachelor of Accountancy was launched with 100 students, the first American broad-based accountancy programme in Singapore recognised by ICPAS.
- 18 September** Professor Ron Frank, Dean Emeritus and Asa Griggs Candler Professor of Marketing Emeritus of the Roberto C. Goizueta Business School of Emory University, appointed second President of SMU.
- 24 October** SMU launched Lee Kuan Yew Global Business Plan Competition.

## 2002

- 8 January** SMU commenced Masters of Science in Applied Finance, its first graduate programme by coursework.
- 30 January** SMU launched Green Initiative to preserve parkland at City Campus site.
- 5 February** Senior Minister Lee Kuan Yew speaks on entrepreneurship at SMU's inaugural Ho Rih Hwa Leadership in Asia Public Lecture.
- 12 March** Nobel Laureate Professor Lawrence Klein speaks at SMU Distinguished Lecture Series.
- 18 March** Announcement of Professor Roberto S. Mariano as new Dean of School of Economics and Social Sciences.
- 23 March** SMU organised Open House at Bukit Timah Campus.
- 27 March** Education Minister RAdm Teo Chee Hean is guest-of-honour at SMU's Groundbreaking Ceremony of City Campus.

# Academic Leadership







## New President for SMU

On 18 September 2001, Prof Ronald E. Frank, Dean Emeritus and Asa Griggs Candler Professor of Marketing Emeritus of the Roberto C. Goizueta Business School of Emory University, was appointed the second President of the Singapore Management University, taking over the baton from founding President, Prof Janice Bellace.

Prof Frank brings with him a lifetime of experience in managing universities and is a luminary in the area of marketing. After receiving his MBA at Northwestern's Kellogg School and his PhD in Marketing from the University of Chicago, Prof Frank began his teaching career at Northwestern, followed by Harvard and Stanford. From there, he went to the Wharton School of the University of Pennsylvania where he stayed for almost 20 years. During that time, he was Professor of Marketing and Chairman of the Department of Marketing. He also served as Vice Dean, Director of Research and PhD Programs, and Associate Dean. From Wharton, Prof Frank moved on to become Dean at Purdue University's Krannert School of Business.

After five years at Krannert, he accepted the appointment of Dean at Emory University in Atlanta. During the nine years he was at Emory, the school's ranking in US News and World Report rose substantially from 31 to 21, and from an unranked school in Business Week to one of the top 25 business schools. He initiated key fund-raising efforts which led to the naming of the school for Roberto C. Goizueta (then Chairman and CEO of the Coca-Cola Company) in response to a US\$10 million gift from the Robert W. Woodruff Foundation. Under his management, the endowment increased dramatically from US\$5m in 1989 to US\$65m in 1998, including a US\$20m donation each from the Estate of Roberto C. Goizueta and the Robert W. Woodruff Foundation. He has been a prolific writer of marketing articles, books and journals, and for over a decade, he was the fourth most cited author in marketing.

With a wealth of experience culled from years of being at the helm of academia, Prof Frank is the ideal person for steering the future direction of SMU.







## Bachelor of Business Management

SMU's Bachelor of Business Management (BBM) programme made history in year 2000 by being the first undergraduate programme in Singapore with a multi-disciplinary approach. With a strong broad-based foundation, critical in a world of rapid changes and blurred boundaries, the BBM programme emphasises team-building, social skills and a confident grasp of IT.

Due to its flexible system, BBM students may graduate within a shorter time than the normal four-year period by obtaining credits and enrolling for more courses within each term. Based on current estimation, 10% of the pioneer intake is expected to graduate in three years, 50% in three-and-a-half years, and the rest in four years.

Against all odds, our pioneer undergraduates have already begun to stand their own by claiming several prizes. These include clinching the top spot at the inaugural 2001 NUS Business School Case Competition with innovative and interactive approaches to problem identification and solution, as well as at the Copenhagen Business School International Case Competition 2002, tackling analysis for the case company, Landis, a Netherlands-based information and communications technology business.



*SMU's winning team deliberating victory at the 2001 NUS Business School Case Competition*



*Drawing upon industry expertise at The New World Workplace Executive Seminar*

A key feature of the SMU curriculum is the undertaking of projects by students. At the Technology & World Change course, students successfully initiated three real-life projects: 'New World Workplace' (with Cisco Systems), 'Asian Business Landscapes' (with Seagate Technology) and 'Singapore Storage Vision 2005' (with the Economic Development Board), with the findings presented at a one-day Executive Seminar on The New World Workplace held in March 2002.

At the heart of the BBM programme is the University Core, which aims to equip all students with intellectual skills on a range of fundamentals and know-how, such as *Analytical Skills & Creative Thinking, Leadership & Teambuilding, and Ethics & Social Responsibility*. To develop well-rounded individuals, general arts and science subjects, global and regional studies, technology and entrepreneurship, and career skills are also prerequisite courses for SMU's programmes. Upon this foundation is laid the business and management courses tuned towards grounding students in the theories, concepts and expertise essential for operating in a modern business environment. Specialisation in a Business Concentration – *Finance or Marketing* – starts in the second year of the BBM programme. SMU departs from the traditional lecture-tutorial method and adopts the more interactive and participatory "seminar-style" approach. Students are organised into small classes of up to 40 students; class sizes of 20 to 30 are common for elective courses.

In appraising students, a holistic approach is taken, allowing for a more balanced and better indication of a student's performance. Continual assessment forms a major component of performance appraisal, comprising a wide array of methods ranging from class participation, individual and group projects, presentations to quizzes.

Another departure from the norm is the utilisation of an online bidding system for course registration. At the beginning of each term, students use allocated e-dollars to bid for their desired courses via the internet according to their preferences in professors and time slots. The system is activated in three phases, and allows students to drop courses or register for additional courses during the first three weeks of each term. The system gives students the opportunity to plan their needs and take risks in decision-making.

The adoption of the GPA (Grade Point Average) system requires students to maintain a certain minimum GPA to graduate with the BBM degree. Students with consistently good academic performance in each year may be placed on the Dean's List. Academic honours (*cum laude, magna cum laude and summa cum laude*) are bestowed upon graduating students who attain the relevant requisite overall GPA.



## Bachelor of Accountancy

The Bachelor of Accountancy (BAcc) programme at SMU is the first such programme among local tertiary institutions to offer students an American broad-based accountancy degree with professional recognition by the Institute of Certified Public Accountants of Singapore (ICPAS).

The BAcc programme offers maximum flexibility in the choice of subjects, while maintaining the technical and professional standards required of professional accountants. Groomed to be all-rounders, with requisite courses from the University Core and general education modules on top of core Accountancy and Business courses, classes are seminar-style with a focus on continual assessment.

SMU's liberal approach to Accountancy enhances the career prospects of its students. The accounting industry in Singapore has lauded SMU for seeking to train accountants who are creative and entrepreneurial, not just number-crunchers. Demonstrating their confidence in SMU, partners and senior managers from the top four accountancy firms in Singapore – Deloitte & Touche, Ernst & Young, KPMG and PricewaterhouseCoopers – teach in the BAcc programme as adjunct professors, bringing real-life perspective into the classroom.

In a consistent effort to remain relevant to the accounting profession, SMU continues to keep in touch with industry developments. One of its early achievements has been to release a groundbreaking report by PricewaterhouseCoopers (PwC) in collaboration with the Singapore Exchange entitled "In Search of Shareholder Value". This report, seeking to implement a new concept in financial reporting for Singapore, found that listed and non-listed Singapore companies have revealed a low level of understanding and implementation of shareholder value concepts here, although there is a high level of acceptance of such ideas. Such collaborative work not only helps to form valuable bonds with the accounting profession but also closes the gap between theory and practice.

The BAcc is a direct meritorious honours programme. On successful completion, students will be awarded the BAcc degree accordingly, depending on their overall performance: BAcc, BAcc *cum laude* (with honours), BAcc *magna cum laude* (with high honours) or BAcc *summa cum laude* (with highest honours).



# Bachelor of Science (Economics)

SMU announced the launch of its third school, the School of Economics and Social Sciences, when Guest-of-Honour RAdm Teo Chee Hean, Minister for Education, made this notable statement public at SMU's Convocation 2001, held at Suntec Singapore. The first intake of Bachelor of Science (Economics) undergraduates would commence August 2002.

The BSc (Econ) programme proved to be an immediate success, with nearly 900 applicants competing for 50 places offered in the first year. This enthusiastic response reflects the high level of confidence in SMU's curriculum and faculty.



*Dean, School of Economics and Social Sciences,  
Professor Roberto S. Mariano*

While student applications were in progress, an intensive worldwide search enabled SMU to select and appoint as the Dean of SMU's new School, Prof Roberto S. Mariano, Professor of Economics and Statistics at University of Pennsylvania's Department of Economics. An active researcher, investigator and consultant to various organisations such as the United Nations, international banks, foundations and governmental bodies, Prof Mariano brings with him a wealth of experience in the corporate and public sectors as well as in academia – developed from an illustrious career spanning three decades.

Similar to the two other degree programmes offered by SMU, the new Bachelor of Science (Economics) curriculum adopts a broad-based liberal education, while grounding students in the necessary rigours of their chosen discipline. The aim is to shape well-rounded individuals with strong analytical skills, creative thinking and a wide range of capabilities required to be outstanding in any competitive field.

True to the SMU style, the programme offers flexibility in the choice of subjects, and at the same time, allows students to major in Economics or forge a double major in Economics and Finance. The Double Major in Economics and Finance programme is especially attractive to students who wish to build a career in the financial sector. Further reflecting the synergy between the various SMU degree programmes, students are also able to opt for double degree programmes in Economics and Business, or Economics and Accountancy.

SMU will kickstart the school with fourteen faculty for 2002, with four additional academic appointments having been made for year 2002-2003. Faculty members hold PhDs from top-ranking universities such as Chicago, Columbia, Harvard, Stanford, Rochester, Michigan and the London School of Economics.

Faculty members have a breadth of experience in teaching, research and consultancy. The school's Associate Dean, Professor Tse Yiu Kuen, holds the enviable position of having written the most requested paper in 2001 – according to the number of electronic downloads from the journal, *International Review for Economics and Finance* in Jan-Dec 2001 – with his article, *Hedging Downside Risk: Futures vs. Options*.

# Masters of Science in Applied Finance

The Masters of Science in Applied Finance was launched in September 2001 as SMU's first graduate programme by coursework. It is an 18-month part-time programme that aims to raise the standard of practitioners' knowledge and skills in applied finance, a critical training need identified by authorities and the finance industry.

Commencing their course in January 2002, the pioneer batch of 25 students enrolled with an average GMAT score of 630. Despite hectic work schedules and intensive class hours, all students successfully cleared their March 2002 examinations for the first four courses in Economic Analysis, Quantitative Methods and Analysis, Financial Statement Analysis 1 and Financial Statement Analysis 2.



Besides specialising in Applied Finance, the programme incorporates Chartered Financial Analyst (CFA) components with courses in Term 1 and Term 3 specially tailored to equip students with the knowledge and skills to sit for the CFA Levels 1 and 2 examinations. Core courses and electives in Term 2 are designed to prepare students for the MSc level courses in Corporate Finance, Financial Risk Management, Technology, e-Commerce & Finance and Corporate Strategy & Financial Performance.

Graduates complete 16 compulsory core courses (2 credits each) and 2 elective courses (4 credits each) to meet the 40-credit requirement of the MSc degree. Course fees of S\$21,000 are paid over three terms and they include a one-week classroom experience in a premier U.S. university. Admission requirements are a good bachelor's degree, a good GMAT score and at least two years working experience in the financial industry is preferred.



## Advancing SMU's Research Goals

Research is one of SMU's core areas in gearing towards a world-class university. The Office of Research & Doctoral Education (ORDE) which coordinates the Wharton-SMU Research Center, spearheads SMU faculty research projects and leads SMU's Masters/PhD programmes.

### Wharton-SMU Collaboration

The Wharton-SMU Research Center's prime objective is to foster the Wharton-SMU collaboration and subsequent funding of research projects. In FY2001-02, the Center funded 11 projects undertaken by Wharton faculty associated with the Center.

Among them, eight were collaborations between the two universities. These projects involve subjects ranging from Marketing to Knowledge Management, and from analyses of traditional enterprises to investigations of e-marketplaces. Our principal investigators are committed to delivering output of high quality and standards pertaining to academic research.

Collaborations between Wharton and SMU faculty have yielded project topics including *An Experimental Investigation of Several e-market Institutions*, *The Digitally-regulated Island: International E-commerce Regulation and Singapore's Competitive Advantage*, *Exploratory Research on Reform of State Enterprises in Singapore*, and *Dynamic Investment Strategies in Cellular Telephony: Case Studies from Asia*.

### SMU Faculty Research

Apart from Wharton-SMU research, SMU also began funding for its own faculty research. During the financial year, 25 projects were committed. The principal investigators comprise faculty of all disciplines from the different SMU Schools. A wide variety of

projects ensure quality, based on stringent selection criteria that places high emphasis on the potential contribution of the projects as well as the expected output.

Topics have included *The Evolution Dynamic of Intelligent Human Organisations*, *Thinking Hats and Colored Turbans: Teaching Creativity Across Cultures*, *The Value of a Customer Name: Insights from a Theoretical Framework and Empirical Application*, and *Cultural Impacts on Budgeting Practices and Behavior: A Study Based on the United States, Singapore and Thailand*.

With a sizeable faculty and continued dedication to research, more new projects are expected for the new financial year. SMU foresees a dynamic research culture among the academic staff with more research initiatives and potential collaboration with various other universities in the near future.

### Industry Research

Research in collaboration with the industry is another strategic endeavour. Two such projects were conducted in FY2001-02.

In July 2001, ORDE embarked on a three-year joint research project with the Institute of High Performance Computing. Specifically, the two institutions collaborate and undertake research in basic and industry-related studies involving computational finance and data mining. In carrying out the project, the office will produce international journal and conference papers, train postgraduate students and help to apply for patents. It is envisioned that the project will help develop knowledge and expertise for the financial industry which is undergoing tremendous change.





*Professor Lawrence Klein addresses an enrapt audience*



*Dr Balakrishnan congratulates Imago Scientific Instruments at the Lee Kuan Yew Global Business Plan Competition*

In January 2002, Professors Augustine H H Tan, Phang Sock Yong, Christopher Ting and John Cain [University of Texas, Dallas] completed a project for the Real Estate Developers Association of Singapore entitled "A Study of the Housing Market in Singapore with Recommendations for Reform".

### Research Seminars and Visits

During the course of the year, SMU conducted 19 research seminars for academics and business practitioners; and organised two landmark lectures by Nobel Laureate Economists.

The first was a private visit by Harvard Business School's (HBS) Professor Robert C. Merton on 2 February 2002. Chaired by Associate Prof Tsui Kai Chong, Vice-Provost of Undergraduate Affairs and Dean, School of Business, a wide-ranging discussion ensued on financial market issues with over 20 local finance academic attendees from the National University of Singapore, Nanyang Technological University and SMU.

Some issues raised by the 1997 Nobel Laureate in Economics included pension funds, the Enron disaster, and modeling research into behavioral finance incorporating social structures and regulatory bodies.

Professor Merton, known for his work on the valuation of stock options, had held the George Fisher Baker Professorship of Business Administration at HBS since 1988. He was also the first incumbent of the Harvard University Professorship named for John and Natty McArthur, the former Dean of HBS and his wife. University Professorships, of which there are only seventeen, are Harvard's most distinguished professorial posts.

The second Nobel Laureate to grace the campus was Prof Lawrence R. Klein, 1980 Nobel Laureate in Economics, who addressed a crowd of 200 at the SMU auditorium on 12 March 2002 under the SMU Distinguished Lecture Series.

During his lecture: "Short-Term Forecasting: Fact or Fiction?", Prof Klein discussed high-frequency forecasting, researched for over 10 years at the University of Pennsylvania, with specific applications to the US economy. Citations and references for similar work done in Japan, France, Hong Kong and Mexico were highlighted and the latest sample surveys of consumers and businesses were also covered.

An illustrious econometrician, having constructed several statistical models of the US and various other countries, Professor Klein spoke on drawing upon developments in IT to improve the accuracy in economic forecasting.

Professor Klein was the Benjamin Franklin Professor of Economics and Finance at Pennsylvania, where he taught for 33 years, and is now Benjamin Franklin Professor, Emeritus. He founded the Wharton Econometric Forecasting Associates at Pennsylvania and was a principal investigator of Project LINK, which combined models from countries throughout the world for studying international trade, payments, and global economic activity. In 1976 he coordinated ex-President Jimmy Carter's economic task force in a successful campaign for Carter's Presidency of the United States. Since 1984 he has been Director and Chairman of the Economic Policy Committee of W.P. Carey & Co.

## Lee Kuan Yew Global Business Plan Competition

SMU launched the Lee Kuan Yew Global Business Plan Competition in October 2001, the first-ever international business plan competition to be organised at the undergraduate level, targeting students from universities, colleges and polytechnics internationally. It received an unprecedented 203 business concept outlines from 74 universities, colleges and polytechnics, spanning 19 countries, by far the largest number of submissions received in an open global business plan competition. All submissions received were filed and judged electronically, via an online mechanism specially developed for the competition.

After eight months of intense competition, six final teams from universities in USA, Canada, Australia, Indonesia and Singapore, were selected to present their business plans to a panel of international judges including AOL Time-Warner's Executive Vice-President and Chief Technology Officer Dr William Raduchel and Professor Raphael (Raffi) Amit. Professor Amit is the Robert B. Goergen Professor of Entrepreneurship and Professor of Management at the Wharton School, University of Pennsylvania.

SMU finally announced Imago Scientific Instruments from the University of Wisconsin-Madison, winners of the competition for their award-winning idea on providing three-dimensional atomic-scale imaging and analysis for nanotechnology industries through the Local Electrode Atom Probe microscope.

The winners walked away with US\$20,000 in prize money at a dinner and awards presentation ceremony in June this year at the Shangri-La Singapore with guest-of-honour, Dr Vivian Balakrishnan, Minister of State for National Development, in attendance.

Venture capitalists were invited to fund the six winning projects and in addition, the Economic Development Board (EDB) agreed to match any investment received from other parties for potential start-ups. This matching grant from EDB is conditional to the start-up being physically located in Singapore.

Major sponsors for the Lee Kuan Yew Global Business Plan Competition were Citigroup, Cisco Systems, Egon Zehnder International, Government of Singapore Investment Corporation and Shangri-La Hotel Singapore. Supporters for the competition were EDB and the Infocomm Development Authority.

## Faculty Publications

SMU faculty members complement and enhance their academic development and research and teaching skills by contributing international journal articles and publishing books covering a range of relevant subjects. The journals that SMU faculty members have published in the last financial year include:

### JOURNALS

<b>Economics</b>	Journal of International Development
	Journal of International Economics
	Social Choice and Welfare
<b>Finance</b>	Journal of Business
	Journal of Business Finance and Accounting
	Journal of Financial Research
<b>Law</b>	Cambridge Law Journal
	Ethnic and Racial Studies
	Journal of Contract Law
	Lloyd's Maritime and Commercial Law Quarterly
<b>Management</b>	International Business Review
	Journal of Business Research
	Journal of International Business Studies
	Research and Practice in Human Resource Management
<b>Marketing</b>	Journal of Consumer Research
	Journal of Retailing
	Management Science
<b>Statistics</b>	Biometrics
	Decision Sciences
	Journal of the Royal Statistical Society
	Journal of the American Statistical Association
<b>Technology</b>	Artificial Intelligence Review
	Human Systems Management
	International Journal of Innovation Management

Books published by SMU faculty in the last financial year are:

1. Raymond W Y Kao and Tan Wee Liang, *Entrepreneurship and Enterprise Development in Asia*, Prentice Hall, 2001.
2. Leong Siew Meng, Ang Swee Hoon and Tan Chin Tiong (Eds.), *Marketing in the New Asia*, McGraw-Hill, 2001.

# Memoranda of Understanding

Aarhus School of Business, Denmark  
California State University, Long Beach, USA  
Chulalongkorn University, Thailand \*  
Copenhagen Business School, Denmark  
DePaul University, USA  
Emory University, USA \*  
ESC-Grenoble, France \*  
ESC Rouen, France  
Helsinki School of Economics, Finland  
Hong Kong University of Science and Technology, Hong Kong  
Katholieke Universiteit, Leuven, Belgium \*  
Koç University, Turkey \*  
Lehigh University, United States \*  
Norwegian School of Management-BI, Norway  
Queen's University, Canada \*  
Ritsumeikan Asia Pacific University, Japan  
Université Paris-Dauphine, France  
University of Adelaide, Australia  
University of Auckland, New Zealand \*  
University of Bath, UK \*  
University of Calgary, Canada  
University of Florida, United States \*  
University of Manitoba, Canada \*  
University of Minnesota, United States \*  
University of New South Wales, Australia  
University of Otago, New Zealand  
University of St Gallen, Switzerland \*  
University of Southampton, UK  
University of Surrey, United Kingdom \*  
University of Western Australia, Australia \*  
Waseda University, Japan \*  
Washington State University, USA  
Wharton School (University of Pennsylvania), USA \*  
WHU otto Beisheim, Germany

\* MOUs signed between April 2001-March 2002

## Fostering International Relations

SMU believes that overseas exposure brings invaluable experience to undergraduates in helping them gain better insights into different cultures and people. Relationships with global universities continue to be strong as the university works on developing international exchange collaborations and ties. SMU has achieved a success rate of 100% placement for all undergraduates who wish to embark on an international student exchange – a percentage unheard of in most other universities.

SMU became the first local university to have a student exchange agreement with the prestigious Wharton School of the University of Pennsylvania. Two SMU students will enjoy a five-month period at this top US business school in Fall 2002.

Twenty other SMU undergraduates have gone overseas, to countries including France, the United States, Canada, Australia, New Zealand, and Hong Kong over academic year 2001-2002. SMU hosted ten students from overseas universities – four from Denmark, three from France, two from USA and one from Hong Kong.

Forty SMU students have applied to go on exchange next term and the university expects to receive 45 to 50 overseas students in academic year 2002-2003.

As the university continues to strike up relationships, SMU thanks various partners for the privilege to make new friendships and hopes to facilitate even greater understanding with each new handshake.



Some of Singapore's young entrepreneurs sharing their experiences with SMU students



SMU provides career training and guidance for its undergraduates

## Student Projects

SMU students are groomed not simply to be book-smart. A well-rounded education, developing students to be responsible social citizens, is key to SMU's future.

One notable event was the joint ITE-SMU Youth Expedition Project at Chiangmai, Thailand. Supported and sponsored by the Singapore International Foundation (SIF), this annual expedition prepares youths to be world-ready by initiating, planning, leading and participating in overseas community service. It also fosters the spirit of volunteerism in our students and enables them to appreciate foreign cultures. A team of ten students travelled to Hui Yah village to assist in building a school. Another youth expedition project also supported by the SIF, was to Nong Monta Village in Chiangmai for the building of a rice bank for the villagers.

At home in Singapore, SMU played host to over 100 students from various polytechnics, junior colleges and upper secondary schools at a leadership and management seminar. These students were joined by 50 SMU students to learn from the outstanding leaders of the Young Entrepreneurs Network. Entitled "Holding The Reins", speakers included Mr David Tan of finatiq.com; Mr Thomas Fernandez, Managing Director of Pestbusters, Mr Seah Liang Choon, a made-in-Singapore entrepreneur who made a comeback despite initial setbacks and Ms Ramesh

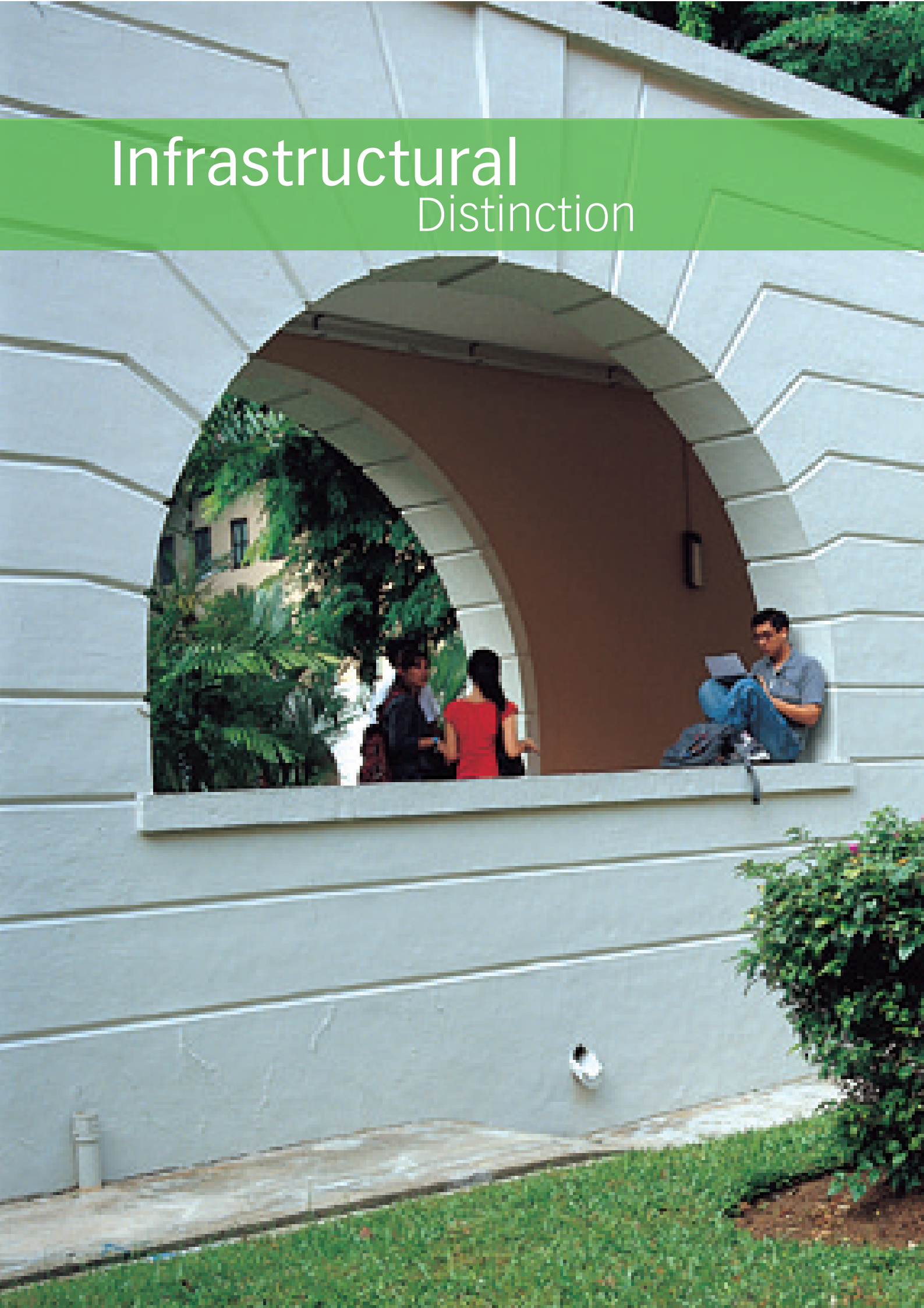
Ramachandra, named one of Asia's most influential women by Asiaweek in July 2001 and finalist of the Association of Small and Medium Enterprises Women Entrepreneurship 2000 Award. SMU and students alike listened intently as they shared candidly on what it takes to be an entrepreneur, the challenges as well as the rewards and the many sacrifices they had to make along the way.

## Career Services

The Office of Career Services continued to source internship placements for the current cohort of 800 students. In spite of the economic crisis, SMU received strong support from the industry and obtained internship placements from a total of 70 organisations, representing a wide spectrum of industries, including banking and finance, hospitality and retail, consultancy, healthcare and pharmaceutical, government, and statutory boards.

Besides sourcing internship opportunities, the Office of Career Services also provides students with the necessary skills to maximise their employment opportunities. These included career skills, enrichment workshops, industrial talks and networking sessions, and career counselling.

# Infrastructural Distinction









## Bukit Timah Campus

On 11 January 2002, President of the Republic of Singapore and SMU Patron, Mr S R Nathan, officially opened the SMU Bukit Timah Campus. A historic site, the campus had been the former alma mater of tertiary institutions in Singapore, now given a new lease of life having been refurbished as a modern facility with state-of-the-art equipment and cutting-edge technology.

Comprising 12 main buildings spread out over a site area of some 11 hectares of land, the campus has a total built-up area of about 42,000 sq metres, equipped to house up to 4,000 students. Teaching facilities include a 198-seater auditorium, 45 and 50-seater media theatres, 35 seminar rooms to facilitate the small-classroom, seminar-style method of teaching, 13 classrooms of 20 and 50-seaters, 54 breakout discussion rooms, 2 science laboratories, a behavioural laboratory, 2 language laboratories, a communication studies center and 3 communication laboratories.

Apart from academic facilities, faculty, staff and students can enjoy the scenic surroundings of the Botanic Gardens, as well as refresh themselves at the food court, Food Haven by the Park, bookshop and computer shops.



*All smiles at SMU's Patron's Day as SMU Patron, President S R Nathan, opens the Bukit Timah campus*



The Bukit Timah campus began on 1 June 1928 as Raffles College, a college of the arts and sciences. During the Japanese Occupation, the College was used as the Japanese army's headquarters before re-opening in October 1946. In 1947, a Commission on Education in Malaya decided that both Raffles College and King Edward VII College of Medicine could be merged to become a university, thus forming the new University of Malaya on 8 October 1949. On 1 January 1962, the Kuala Lumpur Division and the Singapore Division of the University of Malaya became separate national universities and the University of Singapore was established at the Bukit Timah campus.

In August 1980, the campus became the joint campus for the National University of Singapore (NUS) following the merger of the University of Singapore and the Nanyang University. NUS moved to Kent Ridge in 1981. The Institute of Education moved into the campus in 1982 and became the National Institute of Education in 1991. It vacated the site in 2000 and passed the keys to the site to SMU who took over the campus on 1 January 2001.

This campus will serve as an interim facility for SMU until the new city campus, located at Bras Basah, the heart of Singapore's civic and cultural district, is ready in 2005.



*RAdm Teo Chee Hean, Minister for Education, getting a preview of SMU's city campus*

## Building the SMU City Campus

On 27 March 2002, SMU held the Groundbreaking Ceremony for the permanent city campus at its Bras Basah Site, with Minister for Education RAdm (NS) Teo Chee Hean presiding as Guest-of-Honour for this auspicious event.

Under the able hands of Edward Cullinan Architects and KNTA Architects, the city campus project will rejuvenate Singapore's city-life and be developed in accordance with SMU's Spatial Program Phase 1A. This will see teaching facilities that encompass seminar-tiered classrooms, seminar flat-floor classrooms, group study/break-out rooms, research centers and Art, Drama and Music Studios. The vibrant city campus layout promises laboratory facilities, business communication laboratories, science laboratories, computer laboratories, and student technopreneur laboratories, all geared towards the grooming of our nation's future leaders.

As part of SMU's efforts to preserve the hallmark greenery of the historical and idyllic locale, SMU has initiated a tree-transplanting endeavour which involved the careful uprooting and replanting of several mature and healthy trees within Bras Basah park. Stage 1 of the project was carried out and completed in February 2002, with the transplanted trees currently being maintained at a nursery and will be replanted at the Bras Basah Park when the new city campus is ready.



The SMU Masterplan is carefully crafted to form an intricate balance between technology and nature, between functionality and aesthetics, between academia and community. SMU has sought to respond with energy and conviction to the uniqueness of the setting. The quality of any form of architectural expression – and particularly that of the SMU university campus – is dependent on marrying the outward expression of the activities taking place within, with a sense of delight in handling its surface quality, that of its materials and textures. As such, linking themes of architectural expression dominate buildings within SMU's city campus.

A route has been established at concourse level across campus with a planned connection to the new Museum MRT station and possible future connections to the City Hall and Dhoby Ghaut MRT stations. This basement air-conditioned linkway protects users from the elements, allowing pedestrians to move under cover from one end of the campus to the other. The route provides for views into the open courtyards that connect the concourse up to street, park and campus facilities.





The three main materials of the buildings are stone, glass and metal, to give the qualities of texture and transparency.

At the heart of the campus, the SMU Library and Campus Centre form a special relationship with the Art Museum and History Museum, each fronting one side of the green. As much as the historic institutions have distinctive characters, their new neighbours are also designed as vigorous, individual buildings.

The campus is designed to be in harmony with its existing landscape setting. Existing trees are preserved where practical and new trees added along street frontages shade the main pedestrian routes. Buildings are always seen against a foreground of trees with the park landscape beyond.

The central green space has been organised to form simple calm routes and shaded places using open grass areas, granite paths and water in different expressions, with new and existing trees providing shade. A combination of stepped street facades with canopies offer shade and shelter.

Courtyards create deep, sheltered light wells and provide a hub to the activities of each building. Concourse, ground and 2nd storey balconies revolve around this important central landscape space. An avenue of trees help to shade the court and lock each building in to the campus as a whole.

The buildings that overlook the Bras Basah green have glazed facades that are shaded by a veil of plants growing from each storey level in response to the east or west orientations. These 'green walls' have softer curving forms appropriate to their natural setting.

Roofs are ventilated to minimise heat absorption and are finished in natural clay tiles to harmonize with the roofscape of surrounding historic buildings.

SMU in the city will provide a refreshingly different educational experience for future undergraduates.



## SMU Library

A conducive research and learning environment, the SMU library is equipped to facilitate the wide-ranging needs of SMU students. Voted “The coolest place to hang out” in a student newsletter survey, the undergraduates are obviously pleased with the offerings by this intelligent and comprehensive set-up.





From a modest start-up library of 391 sq metres at Evans Road two years ago, the library presently occupies a unique three-storey building plus a basement office, with a floor area of about 2,382 sq metres. The building is equipped with state-of-the-art facilities for wireless access to the campus network, 40 networked PCs equipped with CD-burners, three networked print stations, eight project rooms, one AV group viewing room, two self-check borrowing stations, a 24-hour book-drop, two copier rooms, and a seating capacity of 500.

The total library collection increased by 119% from 5,113 items in FY2000-01 to 11,212 items in FY2001-02. The collection comprises 5,393 books, 4,938 serial issues, 657 CD-ROMs and 224 audio-visual materials.

The library has also been developing its digital content through accelerated subscriptions to databases and e-journals. Access to the digital contents is via the library website as well as the library catalogue where the records provide links to the online databases and e-journals.

The library continues to deliver online annotated new titles, general journal and personalized journal alerts service to the SMU community on a fortnightly basis.

The library website was revamped to cater to new content and re-designed for greater user-friendliness and easier navigation. The new content now include course reserve materials, examination papers, new arrivals, journal alerts, as well as announcement and search functions.

As SMU works towards situating a one-of-its-kind library at the city campus, consultancy works on concept planning and design development have already been awarded to the National Library Board to help SMU achieve the dream of becoming a world-class resource for education and business.



## Harnessing Information Technology

The extensive use of IT in teaching, research and administration is a daily facet of life at SMU. In 2001, Internet bandwidth at SMU was tripled to an aggregated bandwidth of 33 Mbits, making SMU the local higher learning institution with the fastest connection speed offered per person. A high-speed campus network, built from ground up, complements this impressive bandwidth provision, providing 1,500 network access points for a projected user population of 4,000 by year 2005.

Faculty have employed IT actively in research, data analysis, collaborations, and preparing their course materials for online access. Most of the courses have a significant web presence with over 1,200 visits daily during peak periods. Throughout last year, there were a total of almost 600 discussion forums generated with 170 topics created for online interaction between the faculty and students. Apart from teaching and learning being primarily text-based, multimedia materials amounting to over 120 hours of video were produced during classes studying presentation and communications skills as well.

SMU has extensive wireless coverage, enabling instant access to Internet, email and online course materials anywhere, anytime on the campus.

To equip SMU students with full IT capabilities on campus, a SMU student notebook ownership scheme was established. The scheme received overwhelming support with over 80% of the undergraduate population opting to own personal notebook computers for wireless access and other varied purposes.

# Administrative Excellence









## Undergraduate Admissions

In enrolling students, SMU adopts a holistic approach, selecting students who are not only academically strong but also holding diverse interests and leadership qualities. Admission is competitive and selective, with the process rigorous, to ensure quality undergraduates. Applicants are assessed on their academic records, the SAT I: Reasoning Test and other achievements. Shortlisted applicants go through an interview and are also evaluated on their personal essays. This multi-criteria approach allows the university to admit individuals who will contribute to a rich university learning environment and who will benefit most from a stimulating and vibrant campus experience.

In 2002, SMU received 4,871 applications for 600 places, an over-subscription of almost eight times and a 63% increase over year 2001's applications. Out of these, about 10% are non-Singaporeans, originating from countries in the region and beyond, such as Malaysia, Indonesia, Thailand, Brunei, India and China.

## SMU Open House

In an effort to showcase the beautiful Bukit Timah campus to prospective undergraduates, their parents and other members of the public, an SMU Open House was organised on 23 March 2002. This meet-and-greet, fun-filled day served as an information venue for potential students from the junior colleges and polytechnics, with admission talks and interactive activities lined up throughout the entire day. With the theme, "Uncover your Potential!", SMU conveyed its holistic approach to education through the SMU students themselves – all readily volunteering their time to bring visitors around the campus, giving personal talks and displaying their obvious pride in their university.

For visitors who had studied at the Bukit Timah Campus before, the day offered a nostalgic trip back to their past, with exhibitions featuring the rich history of the campus as well as guided campus tours. All visitors went home satisfied with a visitor pack and souvenir courtesy of SMU.





*Senior Minister Lee Kuan Yew delivering gems of experience and wisdom*

## SMU Endowment and Term Funds

To achieve the vision of becoming the educational hub of the region and beyond, SMU has been continuing in its efforts to draw financial support from the community. These funds aim to enhance the SMU Endowment and Term Funds to provide a flow of funds to perpetuate a world-class institution.

Complementing the generous support of the Singapore Government, SMU has been the recipient of 75 separate charitable donations and sponsorships from both local and international communities in FY2001-02. Individuals, corporations and foundations have shown their commitment to SMU by investing S\$5.1 million in support of a wide range of programmes, including student scholarships and exchange, research projects, a lecture series, brick and mortar facilities for faculty, financial aid and computer equipment for needy students.

Receiving an added boost, the SMU Endowment and Term Funds have been supplemented by over S\$15 million, as part of the Singapore Government's 3:1 matching grant programme, taking the year's total to over S\$20 million. The SMU Endowment and Term Funds now total almost S\$107 million.

One of the major achievements this year was the organising of the 'Ho Rih Hwa Leadership In Asia Public Lecture Series', made possible by a gift donated by Mrs Ho Lien Fung in FY2000-01. The inaugural lecture was held on 5 February 2002, at Suntec Singapore, with guest speaker, Senior Minister Lee Kuan Yew addressing a topic of great interest to all Singaporeans: "An Entrepreneurial Culture for Singapore". Applications poured in for the free tickets, with at least 1,000 people more than the venue's extended allowed capacity clamouring for admission. With the overwhelming demand, 1,500 people eventually attended the lecture at Suntec Singapore. A Channel News Asia live telecast and a webcast were also made available, aided by SMU's inhouse IT capabilities. Support for the event was forthcoming, with Suntec Singapore sponsoring the venue, Cogitoimage offering part-sponsorship of the stage and photography provided by werkz.



*Some of SMU's pioneering scholarship and award recipients*

## Major Gifts

April 2001 to March 2002

Several major gifts, all strategically identified to serve as a defining programme in the development of the university, have been graciously accepted to help SMU compete with top business schools around the world, as well as to facilitate the development of a dynamic academic community and the building of the foundations that support it.

### Foreign Student Scholarship Programme

A generous donation by the Tanoto Foundation has made it possible for non-Singaporean students, coming from the Asia region, to study at SMU. This gift will help support study-related expenses including but not limited to tuition, books, computer and stationery materials, as well as study trips for students, who display a good academic record, and who require financial assistance to enroll at SMU.

### Cross-Cultural Studies Initiative

The benevolence of the Lee Foundation has seen a significant contribution towards a 'Centre for Cross Cultural Studies' programme. The programme will help promote a deeper understanding of a variety of cultures, facilitating communication and business initiatives between future leaders originating from around the globe.

### Singapore Buddhist Lodge Education Fund

The Singapore Buddhist Lodge has donated generously to SMU, offering support to students who wish to pursue or undertake study overseas, as part of the SMU Study Abroad Scheme, as

well as helping to equip needy students with laptop facilities. The system has been set up as a loan, to help teach students the value of controlling their own funds. To date, six students have been selected as recipients of the programme.

### The MPH Valedictorian Award

Perhaps the most prestigious student award any graduate can receive at the end of his university career, the MPH Valedictorian Award is a highly valued prize. Kindly donated by MPH Ltd, this award will be given to SMU's most outstanding graduating student each year, comprising of a gold medal and cash prize of S\$5,000. The first MPH Valedictorian is expected to graduate in 2003.

## Future Support

The needs of today's businesses are dynamic and changing. The future areas for support – including augmenting curriculum development, providing scholarships for talented students, as well as opportunities for top-tier academia, research funding and facilities support for the new city campus – are all crucial to help identify SMU as a strong and competitive provider of education. One that offers a unique and individualised level of education to talented students, who will become the new generation of business leaders in Asia.

SMU gratefully acknowledges the support and commitment of its partners and friends as it aims to set a milestone in the advancement of education in Asia. Preparing students to succeed in a global business environment and to build partnerships with regional and international players is no easy feat, but with support from the community, SMU will succeed.



## SMU Scholarships, Awards and Loans

As a local tertiary institution, many organizations and individuals have acknowledged SMU for its student potential. Many have come forward to give SMU their support in the form of scholarships, awards and loans. In fact, since SMU's inception, a total of 21 scholarships, 21 awards and 6 loan schemes exclusive to SMU have been awarded to deserving students.

Scholar	Year	Scholarship	Quantum
Chua Chin Aik, Eric	2nd	Cisco Systems Scholarship	\$5,000
Goh Tuo-Yang, Gerald	2nd	Cisco Systems Scholarship	\$5,000
Ong Mae, Melissa	1st	Cycle & Carriage Scholarship	\$8,000
Lim Kong Wee	2nd	Cycle & Carriage Scholarship	\$8,000
Ang Pey Lin	1st	Deloitte & Touche Scholarship	\$3,000
Cheng Yuqi	1st	Deloitte & Touche Scholarship	\$3,000
Toh Sok Kiang	1st	Energizer Scholarship	\$5,000
Peh Kok Wei, Eugene	1st	Ernst & Young Scholarship	\$5,500
Selviana	1st	Ernst & Young Scholarship	\$5,500
Byron Jeremy Peter Chan	2nd	Ernst & Young Scholarship	\$5,500
Chong Lai Ling	2nd	Ernst & Young Scholarship	\$5,500
Cai Jialing, Charmaine	1st	Luxasia Scholarship	\$3,000
Tan Eng Hwee, Kevin	2nd	Luxasia Scholarship	\$3,000
Ang Eng Sui, Alvin	1st	NOL Scholarship	\$6,000
Ou Chunhua	2nd	NOL Scholarship	\$6,000
Teo Yee Hean	2nd	NOL Scholarship	\$6,000
Ong Kian Wee	1st	SCCCF Business Scholarship	\$5,000
Lee Hui Boon	2nd	SCCCF Business Scholarship	\$5,000
Lim James	2nd	SCCCF Business Scholarship	\$5,000
Goh Zhijun	1st	Suntec City Scholarship	\$5,000
Wong Choon Hua, Eddie	2nd	Tien Wah Press Scholarship	\$6,000

Total number of Year 1 Internal Scholars – 10 (5 pursuing a BBM degree and 5 pursuing a BAcc degree)

Total number of Year 2 Internal Scholars – 11 (10 pursuing a BBM degree and 1 pursuing a BAcc degree)





## Human Resources

Accorded the status of Family Life Ambassador for active participation in promoting Work/Life initiatives and programmes, SMU has grown from strength to strength in staff and faculty matters since its inception. In place now is a new compensation design that rewards employees accordingly. This forward-looking attribute can be seen as a concrete move towards a performance-based organisation.

To promote health and wellness, enriching lunchtime talks on financial tools, healthy lifestyle and aromatherapy sessions were organised. A gym is provided on campus grounds for staff and students to maintain their aspired healthy lifestyle.

To improve SMU's recruitment process and the placement success rate, the Professional Dynametric Programs Integrated Management System was introduced to improve job-person fit. Acting in tandem is the Performance Management and Staff Development Programme, modelled along a similar practice used by the University of Pennsylvania's Wharton Business School. In addition, a state-of-the-art online performance appraisal system via the SAP Personnel Development module is also accessible through SMU's intranet.



# Faculty

as at August 2002

## **President**

FRANK, Ronald E *Professor*

## **Provost**

TAN Chin Tiong *Professor*

## **Vice Provost, Undergraduate & Graduate Education**

TSUI Kai Chong *Associate Professor*

## **Dean, School of Business**

TSUI Kai Chong *Associate Professor*

## **Dean, School of Accountancy**

PANG Yang Hoong *Associate Professor*

## **Associate Dean, School of Accountancy**

SUWARDY, Themin *Assistant Professor*

## **Dean, School of Economics and Social Sciences**

MARIANO, Roberto S. *Professor*

## **Associate Dean for Programs, School of Economics and Social Sciences**

PHANG-LIM Sock Yong *Associate Professor*

## **Associate Dean for Academic Personnel, School of Economics and Social Sciences**

TSE Yiu Kuen *Professor*

## **Dean of Students**

LOW Aik Meng *Associate Professor*

## **Dean of Executive Education**

KOH, Annie *Associate Professor*

## **Deputy Director, Wharton-SMU Research Center**

### **Vice Provost, Research**

TAN Hui Heng, Augustine *Associate Professor*

## **Chair, Department of Law**

PHANG Boon Leong, Andrew *Professor*

### School of Accountancy

GAN Tin Hua, Michael	<i>Emeritus Associate Professor</i>	NETZLEY, Michael Alan	<i>Teaching Assistant Professor</i>
GOH Beng Wee	<i>Lecturer</i>	ONG Siow Heng	<i>Teaching Associate Professor</i>
HAN Bong-Heui	<i>Visiting Associate Professor</i>	PANG Eng Fong	<i>Practice Professor</i>
HWANG Soo Chiat	<i>Associate Professor</i>	PARK Byung Joon	<i>Assistant Professor</i>
KANG, Tony	<i>Assistant Professor</i>	PERLUSZ, Stefano	<i>Assistant Professor</i>
KHOO Teng Aun	<i>Associate Professor</i>	PULLE, Austin Ignatius	<i>Associate Professor</i>
KIM, Sungsoo	<i>Visiting Associate Professor</i>	RAMASWAMI, Seshan	<i>Associate Professor</i>
LEONG Kwong Sin	<i>Associate Professor</i>	RODRIGUES, Brian	<i>Practice Associate Professor</i>
NG Tee Yong, Jeffrey	<i>Lecturer</i>	SAW Cheng Lim	<i>Assistant Professor</i>
OW YONG Keng, Kevin	<i>Lecturer</i>	TAN Eng Joo	<i>Lecturer</i>
TAN Min Yen	<i>Lecturer</i>	TAN Kheng Boon, Eugene	<i>Lecturer</i>
TAN Teck Meng	<i>Professor</i>	TAN Wee Liang	<i>Associate Professor</i>
TAY, Joanne	<i>Teaching Associate Professor</i>	TEO Songwee, Melvyn	<i>Assistant Professor</i>
WILLIAMS, Mitchell	<i>Associate Professor</i>	TEOH Boon Seong	<i>Teaching Associate Professor</i>

### School of Business

BONFRER, Andre	<i>Assistant Professor</i>	TING Hian Ann, Christopher	<i>Assistant Professor</i>
CHAY Yue Wah	<i>Associate Professor</i>	TSCHANG, Feichin, Ted	<i>Assistant Professor</i>
CHIU Hse Yu	<i>Lecturer</i>	VARGHESE, Susheela Abraham	<i>Assistant Professor</i>
CHOI Young Rok	<i>Assistant Professor</i>	WANG Yusong	<i>Assistant Professor</i>
CHUNG Seh-Woong	<i>Assistant Professor</i>	WARACHKA, Mitchell Craig	<i>Assistant Professor</i>
GOH Choo Yong, Jeremy	<i>Associate Professor</i>	WHARTON, Glenn	<i>Assistant Professor</i>
HAN Jin Kyung	<i>Associate Professor</i>	WONG Yue Kee	<i>Teaching Associate Professor</i>
HAUPTMAN, Oscar	<i>Visiting Professor</i>	YANG Kum Khiong	<i>Associate Professor</i>
HORVATH, Lisa	<i>Visiting Assistant Professor</i>	YEOH Mun See, Caroline	<i>Teaching Associate Professor</i>
JANAKIRAMANAN, Sundaram	<i>Visiting Associate Professor</i>	YOSHIKAWA, Toru	<i>Associate Professor</i>
KOH Cher Chiew, Francis	<i>Practice Associate Professor</i>		
KOH, Pearlle	<i>Associate Professor</i>	<b>School of Economics and Social Sciences</b>	
KOH Seng Kee	<i>Teaching Associate Professor</i>	CHANG Pao-Li	<i>Assistant Professor</i>
LEE Lye Hock, Jacob	<i>Teaching Associate Professor</i>	CHUA, Vincent	<i>Assistant Professor</i>
LEE Pey Woan	<i>Assistant Professor</i>	DEKLE, Dawn Jeanine	<i>Teaching Associate Professor</i>
LEE Pui Yee, Michelle	<i>Assistant Professor</i>	HOON Hian Teck	<i>Associate Professor</i>
LEE Teck Huat, Marcus	<i>Assistant Professor</i>	KOH T.H., Winston	<i>Associate Professor</i>
LIANG Thow Yick	<i>Associate Professor</i>	LEUNG Heng Yan, Denis	<i>Associate Professor</i>
LIM Kian Guan	<i>Professor</i>	LEUNG Hing-Man	<i>Associate Professor</i>
LOH Kiat, Roger	<i>Lecturer</i>	SINGH, Kirpal	<i>Associate Professor</i>
LOW Kee Yang	<i>Associate Professor</i>	TAN Swee Liang	<i>Practice Assistant Professor</i>
MACRAE, Cecil Duncan	<i>Practice Associate Professor</i>	TAN Yoo Guan	<i>Teaching Associate Professor</i>
MACRAE, Elizabeth	<i>Practice Associate Professor</i>	WILLIAMS, John Nicholas	<i>Assistant Professor</i>
MENKHOFF, Thomas	<i>Practice Associate Professor</i>	YANG Zhenlin	<i>Assistant Professor</i>

# Heads of Department

as at 3 May 2002

## **Campus Development**

FOO Yit San *Deputy Director*

## **Center for Academic Computing**

TANG Ai Chee *Associate Director*

## **Communications & IT**

HOR Tze Man, Tommy *Director*

## **Corporate Communications**

LIM Hwee Ping, Monica *Associate Director*

## **Facilities Management**

HO Thim Seng *Director*

## **Faculty Administration**

CLARKE, Judith *Senior Manager*

## **Finance**

SIM Teow Hong *Director*

## **Human Resources**

ONG Tiong Eng *Director*

## **Institutional Advancement**

MEKANI, Kirtida *Director*

## **Internal Audit**

LEONG Choong Pak, Victor *Assistant Director*

## **International Relations**

MALIQUE, Isabelle *Senior Manager*

## **Legal & General Affairs**

CHIN Soon Fong, Edmund *Director*

## **Library and Information Services**

LIM, Esther *Chief Librarian*

## **Registrar**

WOON Hon Thin *Associate Registrar*

## **Student Life & Career Services**

CHIANG Fong Leng, Ruth *Director*

## **Undergraduate Admissions**

TAN Lee Chuan *Director*



# Donors

SMU is proud to recognise the individuals, corporations and organisations who have pledged almost S\$15 million to our university, since its incorporation, up to 31 March 2002. We are grateful for your support and extend our heartfelt thanks to you all.

## Donors (S\$1 million and over)

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Mr Laurence Moh  
Lee Foundation  
Overseas Union Bank Limited  
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United Overseas Bank Limited)*  
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Ms Alicia Lam  
Chip Huat Construction Co Pte Ltd  
Chuan Seng Kim Trading &  
Construction Pte Ltd  
Ms Claire Chiang  
DataOne (Asia) Pte Ltd  
DBS Cards  
Deloitte Consulting Pte Ltd  
Elite Horticulture Services  
Mrs Fang Ai Lian  
Habigreen Properties Pte Ltd  
i-DNS.net International Pte Ltd  
International Associated Co Pte Ltd  
Assoc Prof Kirpal Singh  
Kwan Im Thong Hood Cho Temple  
Lim Choon Teck Pte Ltd  
Mr Lim Gek Ming  
MarginMan Asia-Pacific Pte Ltd  
MobileOne (Asia) Pte Ltd  
Mr Ng Chung Poh  
NTUC Income Insurance Co-Operative  
Ltd  
Pinnz Pte Ltd  
Popular Holdings Ltd  
Prof Tan Chin Tiong  
Mr S G Moorthy  
Scient International Pte Ltd  
Seagate Technology International  
SurfGold.Com Pte Ltd  
Mr Tan Kok Wee  
Prof Tan Teck Meng  
Mr Teo Seng Cheong  
Trans-Island Bus Services Ltd  
Vickers Ballas Holdings Ltd  
Mr Eddie Wee Leng Huat  
Windsor Airmotive Asia Pte Ltd  
Mr Wong Weng Foo John  
Practice Assoc Prof Caroline Yeoh  
Mun See

## Donors (Support In Kind)

Compaq Computer Asia Pte Ltd  
Electro-Acoustic Systems Pte Ltd  
Rajah & Tann  
Singapore Computer Systems Ltd

# Financial Report





## Report of the Trustees

The Board of Trustees present their report together with the audited financial statements of Singapore Management University ("university company") for the financial year ended March 31, 2002.

### 1 TRUSTEES

The Trustees of the university company in office at the date of this report are:

Mr Ho Kwon Ping	– Chairman
Dr Han Cheng Fong	– Deputy Chairman
Prof Janice Bellace	(Appointed on September 18, 2001)
Mr Chan Yeng Kit	(Appointed on April 16, 2002)
Mr Cheah Kean Huat	
Mrs Fang Ai Lian	
Dr Victor K. Fung	
Dr Gan See Khem	
Mr Latiff Ibrahim	
Mr Kuok Khoon Ean	
Mr Kwek Leng Beng	
Dr Loo Choon Yong	
Prof John Rodney Niland	
Mr Ong Keng Yong	
Mr Jaspal Singh	
Mr Sunil Sreenivasan	
Mr John Wong	

### 2 PRINCIPAL ACTIVITIES

The principal activities of the university company are the advancement and dissemination of knowledge, the promotion of research and scholarships and the conferring and awarding of degrees, diplomas and certificates.

There have been no significant changes in the nature of these activities during the financial year.

### 3 ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

There were no acquisitions or disposals of subsidiaries during the financial year.

### 4 RESULTS FOR THE FINANCIAL YEAR

	\$'000
Net surplus for the year	34,087
Accumulated surplus at beginning of year	2,019
Accumulated surplus at end of year	<u>36,106</u>

### 5 MATERIAL TRANSFERS TO/(FROM) PROVISIONS AND RESERVES

During the financial year, there were no material transfers to or from reserves and provisions.

## **SINGAPORE MANAGEMENT UNIVERSITY**

(A company limited by guarantee)

### **6 ISSUE OF SHARES AND DEBENTURES**

The university company is a company limited by guarantee and has no share capital. Accordingly, Section 201(6)(e) is not applicable.

### **7 ARRANGEMENTS TO ENABLE TRUSTEES TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES**

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the Trustees of the university company to acquire benefits by means of the acquisition of shares or debentures in any other body corporate.

### **8 TRUSTEES' INTERESTS IN SHARES AND DEBENTURES**

The university company is a company limited by guarantee and has no share capital and debentures. Accordingly, Section 201(6)(g) is not applicable.

### **9 DIVIDENDS**

The memorandum and articles of the university company restrict the use of fund to the furtherance of the objects of the university company and prohibit the payment of dividend to members.

### **10 TRUSTEES' ACTIONS RELATING TO BAD AND DOUBTFUL DEBTS**

Before the statement of income and expenditure and the balance sheet were made out, the Trustees of the university company took reasonable steps to ascertain that proper action had been taken in relation to the writing off and providing for bad debts and doubtful debts of the university company and have satisfied themselves that all known bad debts have been written off and that doubtful debts provision is not required.

At the date of this report, the Trustees of the university company are not aware of any circumstances which would render any amount written off for bad debts inadequate to any substantial extent or require the setting up of a provision for doubtful debts.

### **11 TRUSTEES' ACTION RELATING TO CURRENT ASSETS**

Before the statement of income and expenditure and the balance sheet were made out, the Trustees of the university company took reasonable steps to ascertain that any current assets of the university company which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values or were adequately provided for.

At the date of this report, the Trustees are not aware of any circumstances which would render the values attributable to current assets in the financial statements misleading.

### **12 CHARGES ON ASSETS AND EXISTENCE OF CONTINGENT LIABILITIES AFTER YEAR END DATE**

At the date of this report:

- a) there does not exist any charge on the assets of the university company which has arisen since the end of the financial year which secures the liability of any other person; and
- b) there does not exist any contingent liability of the university company which has arisen since the end of the financial year.



## **SINGAPORE MANAGEMENT UNIVERSITY**

(A company limited by guarantee)

### **13 ABILITY TO MEET OBLIGATIONS**

No contingent or other liability of the university company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Trustees, will or may substantially affect the ability of the university company to meet their obligations as and when they fall due.

### **14 OTHER CIRCUMSTANCES AFFECTING FINANCIAL STATEMENTS**

At the date of this report, the Trustees of the university company are not aware of any circumstances not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the university company misleading.

### **15 UNUSUAL ITEMS**

In the opinion of the Trustees of the university company, the results of the operations of the university company have not been substantially affected by any item, transaction or event of a material and unusual nature during the financial year.

### **16 UNUSUAL ITEMS AFTER YEAR END DATE**

In the opinion of the Trustees of the university company, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which would affect substantially the results of the operations of the university company for the financial year in which this report is made.

### **17 DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS**

Since the date of incorporation, no Trustee has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Singapore Companies Act, by reason of a contract made by the university company or a related corporation with the Trustee or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

### **18 OPTIONS GRANTED**

The university company is a company limited by guarantee and has no share capital. During the financial year, no option to take up unissued shares of the university company was granted.

### **19 OPTIONS EXERCISED**

The university company is a company limited by guarantee and has no share capital. During the financial year, there were no shares of the university company issued by virtue of the exercise of an option to take up unissued shares.

### **20 UNISSUED SHARES UNDER OPTION**

The university company is a company limited by guarantee and has no share capital. At the end of the financial year, there were no unissued shares of the university company under option.

### **21 AUDITORS**

The auditors, Deloitte & Touche, Certified Public Accountants, have indicated their willingness to accept re-appointment.

**SINGAPORE MANAGEMENT UNIVERSITY**

(A company limited by guarantee)

ON BEHALF OF THE TRUSTEES



Mr Ho Kwon Ping



Dr Han Cheng Fong

Singapore

July 11, 2002

## Auditors' Report to the members of Singapore Management University

We have audited the financial statements of Singapore Management University for the financial year ended March 31, 2002. These financial statements are the responsibility of the university company's Trustees. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Trustees, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- a) the financial statements are properly drawn up in accordance with the provisions of the Singapore Companies Act ("Act") and Singapore Statements of Accounting Standard and so as to give a true and fair view of:
  - i) the state of affairs of the university company as at March 31, 2002 and of the results and cash flows of the university company for the financial year ended on that date; and
  - ii) the other matters required by Section 201 of the Act to be dealt with in the financial statements;
- b) the accounting and other records and the registers required by the Act to be kept by the university company have been properly kept in accordance with the provisions of the Act.



DELOITTE & TOUCHE  
Certified Public Accountants

Singapore  
July 11, 2002

**SINGAPORE MANAGEMENT UNIVERSITY**

(A company limited by guarantee)

# Balance Sheet

March 31, 2002

	Notes	2002 \$'000	2001 \$'000
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash and Bank Balances	3	4,134	15,772
Fixed Deposits	3	77,711	47,499
Other Receivables	4	1,828	417
Total Current Assets		<u>83,673</u>	<u>63,688</u>
<b>Non-Current Assets:</b>			
Investments	5	82,870	45,294
Student Tuition Fee Loans	6	1,470	414
Fixed Assets	7	141,748	7,922
Total Non-Current Assets		<u>226,088</u>	<u>53,630</u>
<b>Total Assets</b>		<u>309,761</u>	<u>117,318</u>
<b>LIABILITIES, FUNDS AND RESERVES</b>			
<b>Current Liabilities:</b>			
Development Grants Received in Advance	8	22,131	11,176
Research Grants Received in Advance	9	991	143
Other Payables	10	11,956	9,063
Total Current Liabilities		<u>35,078</u>	<u>20,382</u>
<b>Funds and Reserves:</b>			
Special Funds	11	103,353	86,905
Deferred Capital Grants	12	135,224	8,012
Accumulated Surplus		36,106	2,019
Total Funds and Reserves		<u>274,683</u>	<u>96,936</u>
<b>Total Liabilities, Funds and Reserves</b>		<u>309,761</u>	<u>117,318</u>

*The accompanying notes form part of the financial statements.*

## Statement of Income and Expenditure

Year ended March 31, 2002

	Notes	General funds		Other funds		Total	
		2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
<b>Operating income</b>	13	5,059	1,832	1,062	838	6,121	2,670
Staff and manpower cost	14	(17,169)	(22,925)	(188)	–	(17,357)	(22,925)
Depreciation		(7,601)	(650)	–	–	(7,601)	(650)
Other operating expenditure	15	(9,705)	(13,744)	(1,082)	(1,314)	(10,787)	(15,058)
<b>Operating deficit</b>	16	(29,416)	(35,487)	(208)	(476)	(29,624)	(35,963)
<b>Non-operating income</b>	17	1,055	220	91	221	1,146	441
<b>Deficit before government grants</b>		(28,361)	(35,267)	(117)	(255)	(28,478)	(35,522)
Government grant income	18	62,565	37,541	–	–	62,565	37,541
<b>Surplus (Deficit) after government grants for the year</b>		34,204	2,274	(117)	(255)	34,087	2,019
<b>Accumulated surplus (deficit) at beginning of year</b>		2,274	–	(255)	–	2,019	–
<b>Accumulated surplus (deficit) at end of year</b>		36,478	2,274	(372)	(255)	36,106	2,019

The accompanying notes form part of the financial statements.



## Cash Flow Statement

Year ended March 31, 2002

	2002 \$'000	2001 \$'000
<b>Cash flows used in operating activities:</b>		
General/Other funds		
Operating deficit before non-operating income and government grants	(29,624)	(35,963)
Revenue of special fund/other funds received:		
Interest from fixed deposits and current accounts	480	181
Donations	308	221
Funds received for tuition fee loan fund – net	1,051	402
Funds received for term fund – net	1,467	309
Add adjustment for non-cash items:		
Depreciation	7,601	650
Fixed assets written off	2	3
Others	(2,144)	(103)
Operating deficit	(20,859)	(34,300)
Changes in working capital:		
Increase in other payables	2,893	9,063
Increase in other receivables	(1,411)	(417)
Increase in student tuition fee loans	(1,056)	(414)
Net cash used in operating activities	(20,433)	(26,068)
<b>Cash flows from financing activities:</b>		
Research grant received	1,739	923
Operating grant received	52,731	39,357
Development grants received	147,495	16,540
Net cash from financing activities	201,965	56,820
<b>Cash flows from investing activities:</b>		
Acquisition of fixed assets	(141,429)	(8,575)
Increase in investments – net	(37,576)	(45,294)
Grants and related income received for Endowment Fund	16,047	86,388
Net cash (used in) from investing activities	(162,958)	32,519
Net increase in cash	18,574	63,271
Cash at beginning of year	63,271	–
<b>Cash at end of year</b>	<b>81,845</b>	<b>63,271</b>
<b>Cash comprises:</b>		
Cash and bank balances	4,134	15,772
Fixed deposits	77,711	47,499
	81,845	63,271

The accompanying notes form part of the financial statements.

# Notes to Financial Statements

March 31, 2002

## **1 GENERAL**

The university company is incorporated in the Republic of Singapore as a company limited by guarantee under the Singapore Companies Act, Chapter 50 with its principal place of business and registered office at 469 Bukit Timah Road, Singapore 259756. It is also subject to the provisions of the Charities Act, Chapter 37. The financial statements are expressed in Singapore dollars.

The principal activities of the university company are the advancement and dissemination of knowledge, the promotion of research and scholarships and the conferring and awarding of degrees, diplomas and certificates.

The financial statements of the university company for the year ended March 31, 2002 were authorised for issue by the Board of Trustees on July 11, 2002.

## **2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**BASIS OF ACCOUNTING** – The financial statements are prepared in accordance with the historical cost convention and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Statements of Accounting Standard (“SAS”).

The university company has adopted all the applicable new/revised SAS which becomes effective during the year. The adoption of the new/revised SAS does not affect the results of current or prior periods.

**GENERAL FUND AND OTHER FUNDS** – Income and expenditure are generally accounted for under the General Fund in the Statement of Income and Expenditure. The income and expenditure relating to funds that are set up for specific purposes are accounted for under Other Funds in the Statement of Income and Expenditure.

Other Funds are set up to account for funds maintained separately for self-financing activities carried out by the university company and funds received from grants and donations for such specific activities.

The income and expenditure of the General Fund and Other Funds are included in the Statement of Income and Expenditure of the university company.

**SPECIAL FUND** – The Endowment Fund and Tuition Fee Loan Fund are disclosed separately in the Balance Sheet as Special Funds.

Donations and government grants, which are kept intact as capital, are directly taken to these Funds in the year in which such donations and government grants are received.

Income and expenditure arising from the management of the Endowment Fund are taken directly to the Endowment Fund account.

## SINGAPORE MANAGEMENT UNIVERSITY

(A company limited by guarantee)

**REVENUE RECOGNITION** – Tuition and other fees for the academic year, dividend income and donations are recognised in the financial year they are received. The academic year of the university company covers the period from August 1 to July 31. For accounting purposes, the university company recognises the tuition and other fees for the full academic year to coincide with the financial year and accordingly, no prepaid tuition and other fees are recognised at the end of each financial year. All other income is recognised on the accrual basis.

**GRANTS** – Government grants and contributions from other organisations for the purchase of depreciable assets or to finance capital projects are taken to the Development Grants Received In Advance account in the first instance. They are taken to the Deferred Capital Grants account upon the utilisation of the grants for the purchase of assets which are capitalised, or to the Statement of Income and Expenditure for purchase of assets which are written off.

Deferred Capital Grants are recognised in the Statement of Income and Expenditure over the periods necessary to match the depreciation of the assets purchased with the related grants. Upon the disposal of the fixed assets, the balance of the related deferred capital grants is recognised in the Statement of Income and Expenditure to match the net book value of the fixed assets written off.

Government grants to meet the current year's operating expenses are recognised as income in the same year.

**FOREIGN CURRENCY TRANSACTIONS** – Transactions in foreign currencies are recorded in Singapore dollars at the rates ruling at the dates of the transactions. At each balance sheet date, recorded monetary balances are reported at the rates ruling at the balance sheet date. All realised and unrealised exchange adjustment gains and losses are dealt with in the Statement of Income and Expenditure.

**FIXED ASSETS** – Property, plant and equipment are carried at cost, less accumulated depreciation and any impairment loss where the recoverable amount of the asset is estimated to be lower than its carrying amount.

Construction-in-progress consists of land cost, related acquisition expenses and construction costs incurred during the period of construction.

Depreciation is charged so as to write off the cost of assets, other than construction-in-progress, over their estimated useful lives, using the straight-line method, on the following bases:

Leasehold land	–	30 years
Leasehold improvement	–	over period of lease
Renovations	–	5 years
Computer equipment	–	5 years
Furniture and office equipment	–	5 years
Motor vehicles	–	10 years
Others	–	5 years

No depreciation is provided on construction work-in-progress.

Fixed assets costing less than \$1,000 each and library books are charged to the Statement of Income and Expenditure in the year of purchase.

## SINGAPORE MANAGEMENT UNIVERSITY

(A company limited by guarantee)

**INVESTMENTS** – Quoted and unquoted investments held on a long-term basis are stated at cost less impairment losses recognised, where the investment's carrying amount exceeds its estimated recoverable amount.

**FINANCIAL ASSETS** – The university company's principal assets are bank balances and cash, other receivables and investments. Other receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

**FINANCIAL LIABILITIES** – Financial liabilities are classified according to the substance of the contractual arrangements entered into. Financial liabilities include other payables which are stated at their nominal value.

**IMPAIRMENT OF ASSETS** – At each balance sheet date, the university company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

### 3 CASH AND BANK BALANCE AND FIXED DEPOSITS

Included in cash and bank balances and fixed deposits are amounts placed with fund managers as follows:

	2002 \$'000	2001 \$'000
Cash and bank balances	1,873	12,123
Fixed deposits	9,996	25,744
	<u>11,869</u>	<u>37,867</u>

### 4 OTHER RECEIVABLES

	2002 \$'000	2001 \$'000
Goods and services tax receivable	225	312
Interest receivable	719	14
Fee receivable	443	45
Deposits	118	40
Staff loans	10	–
Others	313	6
	<u>1,828</u>	<u>417</u>

## SINGAPORE MANAGEMENT UNIVERSITY

(A company limited by guarantee)

### 5 INVESTMENTS

	2002 \$'000	2001 \$'000
At cost:		
Quoted bonds	68,300	34,327
Quoted equity shares	14,570	10,967
	82,870	45,294
Market value:		
Quoted bonds	67,501	34,135
Quoted equity shares	17,122	9,866
	84,623	44,001

### 6 STUDENT TUITION FEE LOANS

Student tuition fee loans are repayable by monthly instalments over periods of up to 20 years after the borrowers' graduation. Interest is charged at the average prime rates of four local banks prevailing on the first day of each quarter, or such other rates as may be determined from time to time.

### 7 FIXED ASSETS

	Leasehold land \$'000	Leasehold improvement \$'000	Renovations \$'000	Computer equipment \$'000	Furniture and office equipment \$'000	Motor vehicles \$'000	Others \$'000	Construction in-progress \$'000	Total \$'000
Cost:									
At beginning of year	–	–	373	2,185	724	10	705	4,574	8,571
Additions	91,900	–	6	3,677	1,224	11	768	43,843	141,429
Transfers	–	39,693	–	–	–	–	–	(39,693)	–
Disposals	–	–	–	(3)	–	–	–	–	(3)
At end of year	91,900	39,693	379	5,859	1,948	21	1,473	8,724	149,997
Accumulated depreciation:									
At beginning of year	–	–	105	350	140	–	54	–	649
Depreciation for the year	–	6,404	75	707	216	1	198	–	7,601
Disposals	–	–	–	(1)	–	–	–	–	(1)
At end of year	–	6,404	180	1,056	356	1	252	–	8,249
Depreciation for last year	–	–	105	351	140	–	54	–	650
Net book value:									
At beginning of year	–	–	268	1,835	584	10	651	4,574	7,922
At end of year	91,900	33,289	199	4,803	1,592	20	1,221	8,724	141,748

The lease of the land of 30 years takes effect from the date of the President's approval or the date of entry onto State land whichever is earlier. Subsequent to the financial year end, the President's approval for the entire site was obtained in April 2002. Therefore, no depreciation was provided for the current financial year.



## SINGAPORE MANAGEMENT UNIVERSITY

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### 8 DEVELOPMENT GRANTS RECEIVED IN ADVANCE

	2002 \$'000	2001 \$'000
At beginning of year	11,176	–
Grants received	147,495	16,540
Less: Transfer to Deferred Capital Grants (Note 12)	(133,827)	(4,664)
Less: Transfer to Statement of Income and Expenditure (Note 18)	(2,713)	(700)
At end of year	<u>22,131</u>	<u>11,176</u>

These are grants from the Government for financing development projects. The balance in this account represents grants received at the end of the financial year to be utilised or transferred to other accounts.

As at the end of the financial year, total development grants received from the Government since the establishment of the university company amounted to \$164,035,000 (2001: \$16,540,000).

### 9 RESEARCH GRANTS RECEIVED IN ADVANCE

	2002 \$'000	2001 \$'000
At beginning of year	143	–
Grants received	1,739	923
Transfer from Operating Grant (Note 18)	445	–
Less: Transfer to Deferred Capital Grants (Note 12)	(54)	–
Less: Transfer to Statement of Income and Expenditure (Note 18)	(1,282)	(780)
At end of year	<u>991</u>	<u>143</u>

These are grants from the Government, Government agencies and other private organisations for research activities. The balance in this account represents grants received but not utilised at the end of the financial year.

### 10 OTHER PAYABLES

	2002 \$'000	2001 \$'000
Accruals for fixed assets	7,279	2,821
Other accruals	4,279	4,861
Rental payable	–	1,172
Retention payable	269	133
Refundable deposits	129	76
	<u>11,956</u>	<u>9,063</u>

## SINGAPORE MANAGEMENT UNIVERSITY

(A company limited by guarantee)

### 11 SPECIAL FUNDS

	Endowment fund		Tuition fee loan fund		Term funds		Total	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Revenue and other additions:								
Interest from fixed deposits and current accounts	3,241	1,347	–	–	–	7	3,241	1,354
Gifts and sponsorships	–	–	–	–	1,955	637	1,955	637
Government grants	–	–	1,051	402	–	–	1,051	402
	3,241	1,347	1,051	402	1,955	644	6,247	2,393
Less: Expenditure	(2,117)	(194)	–	–	(26)	(10)	(2,143)	(204)
Less: Transfer to Statement of Income and Expenditure	–	–	–	–	(462)	(325)	(462)	(325)
Operating surplus for the year	1,124	1,153	1,051	402	1,467	309	3,642	1,864
Donations	2,883	8,337	–	–	–	–	2,883	8,337
Government grants	9,923	76,704	–	–	–	–	9,923	76,704
Surplus for the year	13,930	86,194	1,051	402	1,467	309	16,448	86,905
Balance at beginning of year	86,194	–	402	–	309	–	86,905	–
Balance at end of year	100,124	86,194	1,453	402	1,776	309	103,353	86,905
Represented by:								
Cash and bank balances	1,886	13,979	–	–	60	65	1,946	14,044
Fixed deposits	14,721	26,921	–	–	1,716	244	16,437	27,165
Interest receivable	719	–	–	–	–	–	719	–
Loans to students	–	–	1,453	402	–	–	1,453	402
Management fee accrual	(72)	–	–	–	–	–	(72)	–
Investments	82,870	45,294	–	–	–	–	82,870	45,294
Net assets	100,124	86,194	1,453	402	1,776	309	103,353	86,905

Endowment Fund comprises donations, grants, gifts, testamentary disposition and proceeds from gifts of movable or immovable property. The objectives of these funds include the provision of facilities for teaching, training and research, the advancement and dissemination of knowledge and the promotion of research.

Tuition Fee Loan Fund is funded by advances from Government for the purpose of providing loans to students to assist them in paying their tuition fees.

Term Funds comprise donations for the purpose of awarding scholarships, academic awards for students, research and other programmes for the advancement of education.

## SINGAPORE MANAGEMENT UNIVERSITY

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### 12 DEFERRED CAPITAL GRANTS

	2002 \$'000	2001 \$'000
At beginning of year	8,012	–
Add:		
Grants received for capital expenditure and development project:		
– transfer from Development Grants Received in Advance (Note 8)	133,827	4,664
– transfer from Research Grants Received in Advance (Note 9)	54	–
– transfer from Operating Grants (Note 18)	1,078	3,998
Less:		
Grants taken to Statement of Income and Expenditure (Note 18):		
– to match depreciation	(7,601)	(650)
– on disposal of fixed asset	(2)	–
– adjustments	(144)	–
At end of year	<u>135,224</u>	<u>8,012</u>

### 13 OPERATING INCOME

	General funds		Other funds		Total	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Tuition and other fees	5,059	1,832	–	–	5,059	1,832
Sundry revenue	–	–	1,062	838	1,062	838
	<u>5,059</u>	<u>1,832</u>	<u>1,062</u>	<u>838</u>	<u>6,121</u>	<u>2,670</u>

### 14 STAFF AND MANPOWER COST

	General funds		Other funds		Total	
	2002	2001	2002	2001	2002	2001
Costs of defined contribution plans included in staff and manpower cost (\$'000)	1,541	1,007	22	–	1,563	1,007
Number of employees at end of year					<u>182</u>	<u>110</u>

### 15 OTHER OPERATING EXPENDITURE

	General funds		Other funds		Total	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Administrative expenses	5,623	9,807	1,047	1,249	6,670	11,056
Communications and computing	2,764	2,754	24	55	2,788	2,809
Library books and periodicals	1,006	786	10	8	1,016	794
Repairs and maintenance	312	397	1	2	313	399
	<u>9,705</u>	<u>13,744</u>	<u>1,082</u>	<u>1,314</u>	<u>10,787</u>	<u>15,058</u>

## SINGAPORE MANAGEMENT UNIVERSITY

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### 16 OPERATING DEFICIT

In addition to the charges and credits disclosed elsewhere in the notes, this item includes the following charges:

	2002 \$'000	2001 \$'000
Auditors' remuneration	30	17
Depreciation expense	7,601	650
Fixed assets written off	2	3
	<u>2</u>	<u>3</u>

### 17 NON-OPERATING INCOME

	General funds		Other funds		Total	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Interest from fixed deposits and current accounts	480	181	–	–	480	181
Donations	218	–	90	221	308	221
Rental	220	4	–	–	220	4
Others	137	35	1	–	138	35
	<u>1,055</u>	<u>220</u>	<u>91</u>	<u>221</u>	<u>1,146</u>	<u>441</u>

### 18 GOVERNMENT GRANT INCOME

	2002 \$'000	2001 \$'000
Operating grants:		
Operating grants received	52,731	39,357
Less: Transfer to Research Grants Received in Advance (Note 9)	(445)	–
Less: Transfer to Deferred Capital Grants (Note 12)	(1,078)	(3,998)
Less: Amount used for goods and services tax on tuition fees	(435)	–
Net	<u>50,773</u>	<u>35,359</u>
Development grants utilised (Note 8)	2,713	700
Research grant utilised (Note 9)	1,282	780
Deferred capital grant utilised (Note 12):		
– to match depreciation	7,601	650
– on disposal of fixed asset	2	–
– adjustments	144	–
Others	50	52
Total government grant income recognised	<u>62,565</u>	<u>37,541</u>

As at the end of the financial year, total operating grants received since the establishment of the university company amounted to \$92,088,000 (2001: \$39,357,000).

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### 19 INCOME TAX

Under Section 13(1)(g) of the Income Tax Act, Cap.134, the university company is exempt from income tax in a financial year if it applies at least eighty per cent of the tax-adjusted income of that financial year towards the objectives of the university company by the end of the following financial year.

For the current financial year, the university company has to expend approximately \$22,171,000 (2001: \$2,100,000) towards its objectives by the end of the next financial year to enable the university company to obtain exemption from tax in 2002. Failing this, the university company will be subject to tax. The maximum amount of tax liability, if any, would be approximately \$4,878,000 (2001: \$655,000).

### 20 CONTINGENT LIABILITIES

	2002 \$'000	2001 \$'000
Guarantees (secured)	–	186
Guarantees (unsecured)	926	–
	<u>926</u>	<u>186</u>

As at March 31, 2002, the university company has received claims from a contractor amounting to \$1.14 million for works carried out on one of its buildings.

Based on legal advice received and information presently available, the university company is of the view that these claims are without merit and the university company has reasonable grounds to resist this claim successfully. Accordingly, no provision was made in the university company's financial statements in respect of these claims.

### 21 CAPITAL EXPENDITURE COMMITMENTS

	2002 \$'000	2001 \$'000
Estimated amounts committed for future capital expenditure authorised but not provided for in the financial statements:		
Contracted for	33,789	33,371
Not contracted for	434,666	–
	<u>468,455</u>	<u>33,371</u>

### 22 OPERATING LEASE COMMITMENTS

	2002 \$'000	2001 \$'000
Minimum lease payments paid under operating leases	373	3,141
Adjustment to prior year's estimate	(1,161)	–
Net	<u>(788)</u>	<u>3,141</u>

At the balance sheet date, the commitments in respect of operating leases with a term of more than one year were as follows:

	2002 \$'000	2001 \$'000
Within one year	–	4,076
In the second to fifth years inclusive	–	6,531
	<u>–</u>	<u>10,607</u>



## SINGAPORE MANAGEMENT UNIVERSITY

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### 23 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The university company manages its exposure to financial risks using a variety of techniques and instruments.

The university company's policy prohibits it to enter into speculative transactions.

#### a) Interest rate risk

Interest bearing financial assets are mainly bank balances, fixed deposits and student tuition fee loans. Bank balances and fixed deposits are short term in nature, therefore, any future variations interest rates will not have a material impact on the results of the university company. Interest based on average prevailing prime rates of four local banks is levied on the student tuition fee loans after the borrower's graduation. The university company does not have any interest bearing financial liabilities.

#### b) Credit risk

The university company places its cash and deposits with creditworthy institutions. Investment portfolios are managed by reputable asset management companies.

The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at the end of the financial year in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the balance sheet.

#### c) Significant concentrations of credit risk

Concentrations of credit risk exist when changes in economic, industry or geographical factors similarly affect group of counterparties whose aggregate credit exposure is significant in relation to the university company's total credit exposure.

The university company does not have any significant concentrations of credit risk.

#### d) Foreign currency risk

The university company's operation is not exposed to foreign exchange risk as most of its transactions are in the Singapore dollar, which is also its reporting currency. Fund managers currently manage the university company's Endowment Fund, and may invest in instruments denominated in foreign currency. Foreign currency exposure arising from such investments are managed by the fund managers.

#### e) Liquidity risk

The Trustees are of the view that there is no liquidity risk as the university company maintains an adequate level of highly liquid assets in the form of cash and short term fixed deposits.

#### f) Fair value of financial instruments

The fair value of the university company's financial assets and financial liabilities approximate their carrying value except for long-term investments where its fair value exceed the company cost as disclosed in Note 5 to the financial statements.

### 24 COMPARATIVE FIGURES

The financial statements for 2002 cover the twelve months ended March 31, 2002. The financial statements for 2001 cover the financial year from the date of incorporation on January 12, 2000 to March 31, 2001.

## Statement of Trustees

In the opinion of the Trustees, the accompanying financial statements set out on pages 49 to 61 are drawn up so as to give a true and fair view of the state of affairs of the university company as at March 31, 2002 and of the results and cash flows of the university company for the financial year then ended and at the date of this statement there are reasonable grounds to believe that the university company will be able to pay its debts as and when they fall due.

ON BEHALF OF THE TRUSTEES



Mr Ho Kwon Ping



Dr Han Cheng Fong

July 11, 2002





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