

Syllabus

The Global Economy

MBAD 518

TuTh 12:15-1:35

Tate 207

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COURSE OUTLINE

This class is designed to provide a framework for understanding how national and international macroeconomic markets interact, how they impact business performance and, therefore, how they affect business decisions.

Macroeconomic variables pose a significant challenge to businesses because they are determined by markets and/or governmental agencies, not managers. Managers have no control over these variables so they must develop superior skills reacting to, coping with, and anticipating macroeconomic fluctuations.

→ **Goals:**

→ To learn the sources and meaning of macroeconomic variables including GDP, inflation, unemployment, money supply, exchange rates, interest rates etc...

→ To learn the interaction of macroeconomic variables across countries (covered interest parity, purchasing power parity, beggar-thy neighbor policies, convergence etc...)

→ To learn the impact of fiscal and monetary policy on the aggregate economy to better understand the business climate under different regimes.

→ To learn basic descriptions of various markets (loanable funds, exchange rates, assets, goods and services) and how those markets interact.

TEXT

There is one textbook for this class: *Macroeconomics* by N. Gregory Mankiw, 6th edition or greater. Additional material may include handouts that will be distributed.

GRADING

The final grade in this class will be calculated under a 10 point graduate grading scale.

Grading Weights	Graduate Grade Scale
London Trip – 30%	A: > 90%
$((PreTripEssay\%) \times (PostTripEssay\%) \times (Attend\%)^2)$	B+: 86% - 90%
Each Midterm – 12%	B: 80% - 86%
Final Exam – 34%	C+: 76% - 80%
+/- Pop Quiz Bonus/Penalty	C: 70% - 76%
	F: < 70%
	I: Incomplete
	XF: Academic Dishonesty
	W: Withdrawn

The Final Exam is comprehensive and must be turned in on time. Each question will be given a grade from 0-10. A grade of 7-10 denotes passing while a grade of 0-6 denotes failing. A grade of 9 or 10 denotes “Highly Satisfactory”, a grade of 7 or 8 denotes “Satisfactory”, a grade of 5 or 6 denotes “Unsatisfactory” while 0-4 denotes “Highly Unsatisfactory”. The instructor reserves the right to “curve” grades at the end of the semester.

A Pop Quiz will be periodically handed out during class. Students who complete the Pop Quiz every day that it is handed out will receive a 5% bonus to their total possible grade. If a student misses three Pop Quizzes, then they will receive a 5% subtraction from their total possible grade. For each additional occurrence that a student misses a Pop Quiz they will receive an additional 5% subtraction from their total possible grade. Pop Quizzes will not be excused nor will there be makeup quizzes.

Any disagreement with the grade given can only be contested in a written form. Submit in writing (not email) both the question which you believe was unfairly graded along with economic reasoning for why your answer was correct. A written response will be given to you afterwards.

Under **NO** circumstances will a grade be changed by email or any other means. In addition, grades may not be sent out over email.

SCHEDULE

If you will be unable to attend the class regularly then it is likely that your grade will reflect your effort. If you are unable to or unwilling to read the assigned material, then it is likely that your grade will reflect your effort. The best method to study for the midterms and final is to understand the lecture notes. You, not the professor, are responsible for your notes. The lectures are constructed so that the text may act as a reference.

DATES	NOTES
Jan. 9 – 18	Ch. 1 (science of macroeconomics, models and math) Ch. 2 (GDP, real vs. nominal, CPI and unemployment) Jan. 9 = NO CLASS
Jan. 23 – Feb. 1	Ch. 2 (GDP, real vs. nominal, CPI and unemployment) Ch. 3 (classical theory, factor demand, C, G, I, equilibrium, taxes, savings) Ch. 4 (money, prices and inflation, fisher effect, velocity)
Feb. 6 – 15	Ch. 5 (NX, capital flows, fiscal policy and investment, exchange rates, NCO) Ch. 5 Appendix (large open economies) Feb. 8 = Collaborative Take Home Midterm Assigned, Ch. 2 & 3 EXAM DUE Feb. 13 at 12:15
Feb. 20 – Mar. 1	Ch. 6 (unemployment, job search, minimum wages, efficiency wages) Special Section – Trade (Heckscher-Ohlin, intra-industry trade)
Mar. 6 – 15	Ch. 9 (business cycle, short run vs. long run, Keynesian models) Ch. 10 (derivation of the IS-LM curves) Mar. 8 = Collaborative Take Home Midterm Assigned, Trade EXAM DUE Mar. 13 at 12:15
Mar. 20 – Mar. 29	Ch. 11 (application of the IS-LM curves) Ch. 12 (Mundell-Fleming, fixed vs. floating exchange rates, interest rates) 3/20, 3/22 = SPRING BREAK
Apr. 3 – 12	Ch. 12 Appendix (Mundell-Fleming in large open economies) Apr. 12 = Collaborative, IN-CLASS midterm, OPEN NOTE, OPEN BOOK, Ch. 10-12
Apr. 17 - 19	FINAL EXAM DUE 4/19 at 12:15 – Not Collaborative

Final Exams may not be returned but can be viewed on request.

OTHER IMPORTANT INFORMATION

HONOR CODE

Lying, cheating, attempted cheating, and plagiarism are violations of our Honor Code that, when identified, are investigated. Each incident will be examined to determine the degree of deception involved.

Incidents where the instructor determines the student's actions are clearly related more to a misunderstanding will be handled by the instructor. A written intervention designed to help prevent the student from repeating the error will be given to the student. The intervention, submitted by form and signed by both the instructor and the student will be forwarded to the Dean of Graduate Students and placed in the student's file.

Cases of suspected academic dishonesty will be reported directly by the instructor and/or others having knowledge of the incident to the Dean of Graduate Students. A student found responsible by the Honor Board for academic dishonesty will receive a XF in the course, indicating failure of the course due to academic dishonesty. This grade will appear on the student's transcript for two years after which the student may petition for the X to be expunged. The student may also be placed on disciplinary probation, suspended (temporary removal) or expelled (permanent removal) from the College by the Honor Board.

Students should be aware that unauthorized collaboration--working together without permission-- is a form of cheating. Unless the instructor specifies that students can work together on an assignment and/or test, no collaboration is permitted. Other forms of cheating include possessing or using an unauthorized study aid (such as a PDA), copying from others' exams, fabricating data, and giving unauthorized assistance.

Research conducted and/or papers written for other classes cannot be used in whole or in part for any assignment in this class without obtaining prior permission from the instructor.

No phones or devices with internet access may be used as calculators during a quiz or exam.

Students can find the complete Honor Code and all related processes in the *Student Handbook* at <http://www.cofc.edu/about/documents/handbook.pdf>.

ENROLLMENT

Students not properly enrolled may be dropped from the course or may not receive a final grade. Students who do not attend any of the lectures in the first week may be dropped from the class.

ADDITIONAL STATEMENTS

SCHOOL OF BUSINESS LEARNING GOALS: In this class students must ethically question the tradeoff between equity and efficiency. By understanding this inherent public policy tradeoff students will be encouraged to appraise other ethical tradeoffs as well. Additionally, students will be studying economic principles in a global environment. By analyzing the global interactions between economies, firms and households students will have the opportunity to consider their own actions in a global economy. Finally, students will gain valuable problem-solving skills that can be applied to business decisions.