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Overview

The extent to which macroeconomic events dominate the world's daily headlines is not really surprising; these developments shape lives and prospects, sometimes for many years into the future. What is surprising however, is the variety of macroeconomic outcomes we have observed globally over the last 30, 40, or 50 years. There have been unprecedented increases in economic prosperity, *and* extreme economic adversity. These headlines contain clues about which future outcome is becoming more likely; hence the attention.

Another reason macroeconomic news is followed so closely by managers and the public is its inherent one-sided impact. That is, even though the macro-economy is just the aggregation of all the economy's individual actors, the effect *of each* of us on the aggregate is small in isolation. In contrast, a banking crisis, or currency collapse (for example), can derail economic opportunity for a generation.

The purpose of this class is to help you develop the tools and vocabulary to interpret the global business environment. We will develop a limited number of analytical frameworks that reveal key aspects of the underlying structure, and we illustrate the wide applicability of these tools with real world examples, cases, and readings. Every class session provides opportunities to articulate and refine your thoughts in discussion with others.

Course Materials

Krugman, Paul. The Return of Depression Economics and the Crisis of 2008, W. W. Norton & Company, 2009. Any version (also available on Amazon: electronic, paper, used, etc.). Additional readings will be posted on Blackboard (BB).

Course Requirements

Individual and Group written assignments: (30% of course grade). There are 3 written assignments distributed throughout the mod (see p. 82 for details). In general, your answers should be professional, brief, compelling, and to the point. Each should be turned in at the start of class.

Quizzes: (20% of course grade). There are 4 (timed) Quizzes (individual work) on Blackboard. They are open book electronic (true/false and multiple choice), *and cover the material in the book, these notes, and in-class materials*. You have 60 minutes to take each quiz, but you must finish before midnight on the Sunday of each week (weeks 1-4). Sample quizzes are on blackboard in the quizzes tab. Please note that any blackboard 'issues', e.g., hang-ups, computer failure, etc., will result in a missing quiz. Your final exam grade % will be increased accordingly.

Involvement: (15% of course grade). Opportunities to participate are given some structure through more formal Q&A mini-debates. Groups (assigned by me) work to prepare their best arguments/analysis for in-class discussion topics spread throughout the term. Generally, groups will be assigned specific questions, or point-of-view, to defend and/or to question another other team. At the end of the mod, you will be given the opportunity to evaluate the contribution of your group members; so you should always strive to "pull your weight".

Final exam: (35% of course grade). The (individual) final exam will be comprehensive, with a mixture of easy (20%), intermediate (40%), and more challenging questions (40%), and will contain multiple-choice, short answer, and true/false questions. A sample exam will be put on blackboard prior to the last day of class.

Honor Code Policy

Collaboration Policies are specified as either individual or group. The only course work that you may not confer with other classmates or TAs on is the final exam; however individual submissions on any assignment that are essentially copies of the work of others will be forwarded to the honor council. See Blackboard for more policies. **Please note that discussion of quizzes should be circumspect, since quizzes remain 'live' between Thursdays and Sundays.**

		<i>At a Glance</i>	<i>Topic</i>
Week 1:	3/15	Measuring and comparing economies - <i>Some Definitions & Data</i>	1
	3/17	The Circular flow & National Accounting - <i>First looks: The Great recession & The Great Depression</i>	2
Quiz 1 due Sunday midnight			
Week 2:	3/22	Managing over the Business Cycle - <i>Measurement, costs/opportunities, Sources, anticipation</i>	3
Assignment 1 (3 person group - your choice of group)			
	3/24	Accounting for International Transactions - <i>The Balance of Payments (BOP) identity</i> - <i>Accounting for "Imbalances" in National Income</i>	4
Week 3:	3/29	Crisis Economics (Krugman, Ch1-5) - <i>A "crash" course in crises around the Globe (Groups lead discussion)</i>	5
Assignment 2 (Individual)			
	3/31	Money, Interest, & inflation - <i>The Quantity Theory & the Fisher Equation</i>	6
Quiz 2 due Sunday midnight			
Week 4:	4/5	Role of a nation's Central Bank - <i>The Quantity Theory & the Fisher Equation</i>	7
	4/7	Independent Monetary Policy - <i>Open Market Operations: Conduct & Effects (SR & LR)</i>	7
Quiz 3 due Sunday midnight			
Week 5:	4/12	Guest speakers: Trey Smith and Shaun Rowles (SunTrust)	
	4/14	Fixed Exchange Rates - I - <i>How/why a country pegs its exchange rate</i>	8
Week 6:	4/19	Fixed Exchange Rates - II - <i>Historical Episode #2: Classical Gold Standard (1890-1913)</i> - <i>Historical Episode #3: The Collapse of Bretton Woods (1951-1971)</i>	8
	4/21	Flexible Exchange Rates - <i>Impacts & Prediction frameworks</i>	9
Quiz 4 due Sunday midnight			
Week 7:	4/26	Precursors to the Global Crash of 2007-09 <i>Reading: Krugman Ch 6-10; (Groups lead discussion)</i>	10
	4/28	The Global Crash of 2007-09: remaining fault lines?	10
Assignment 3 (Individual)			