The Global Economy: Syllabus
COR1-GB 2303.00/12 | Fall 2014

Revised: September 9, 2014

1 About the course

This course is about the performance of countries and the businesses that operate in them. We will use the tools of macroeconomics, and macroeconomic data, to assess countries' economic and business conditions, both now and in the future. Topics include: long-term economic performance (why is Germany more prosperous than Greece? what are the challenges of doing business in China and India?), short-term fluctuations (where is the US economy headed in the next twelve months?), and macroeconomic crises (what's going on in Europe?). By the end of the course, you will be able to:

- Explain how differences in local conditions and institutions affect the nature and cost of running a business.
- Describe the sources of good long-term performance: why per capita income is higher in the US and France than in China and India, and why China and India are among the fastest growing countries in the world.
- Evaluate indicators of good short-term performance and their impact on product and financial markets.
- Find and use data relevant to all of these activities.

We (meaning the team that has put this course together) think these skills will serve you well, whether you are advising clients on their international operations, managing an emerging market hedge fund, marketing consumer products, or even working for the New York Mets.

2 Course website

Almost everything you need for the course will be posted on the course website:

https://sites.google.com/site/nyusternglobal/home.

This includes readings, assignments, online discussion, slides, practice exams, and so on. I will hand out hardcopies of most of these things in class, but the online versions include color graphics, links, and attachments. **Do not look for course materials on NYU Classes**, there's nothing there.

3 Important dates

Please note the assignment and exam dates posted on the course outline.

4 Prerequisites

I expect you to be able to apply the basic tools of economics, mathematics, statistics, and spreadsheets. We will use logarithms and spreadsheets (extensively) and calculus (somewhat). To make sure you're ready, please work through the Math Review before the term starts. You can also get started on Problem Set #0, a check on how well you understand the review that is due at the start of the second class.

5 Data

We will use online data sources extensively. The best one is the St Louis Fed's FRED. You will have an opportunity to use FRED, and perhaps the FRED apps or Excel add-in, in Problem Set #0.

6 Help

If you need help, please send me an email or post a question on the Announcements & Discussion page (which will go to me, too). My office is KMC 7-68: take the elevator to seven, go right out of the elevator, through the doors, left at the wall, fourth office on the right.

For most questions, I recommend the Announcements & Discussion page. If you think you know the answer to someone else's question, please post that, too. The idea is to create an environment in which we teach ourselves, which is both effective and fun. I'll weigh in if I think greater clarity is called for. **Plan ahead: you may not be able to get a useful response to anything posted less than 24 hours before an assignment is due.**

7 Course materials

The materials include:

- *The Book*. We developed a book specifically for this course: just what you need, no more, no less. Please read the relevant sections before class. It will be distributed in the first class, posted on the course website, and sold through Amazon (Version 2.1, dated August 2014). Use whatever format you prefer. The online version comes with links and color graphs.

- *The Economist*. My advice is to get a subscription. It gives you a weekly summary of what's going on in the world, some of which we'll discuss in class. There's a link on the course website.

- *Slides*. I will distribute copies at the start of class and post pdf's on the course website. If you want the full Powerpoint experience, the originals are on GitHub in the Slides directory.

  If you find the slides difficult to read on their own, remind yourself that's a feature not a bug. They're designed to facilitate discussion and have intentional gaps that we will fill in during class. Let me repeat: **The slides are not intended to be read on their own.** They are an input to class discussion, not a summary of where that discussion leads. Reading them without attending class is likely to be a frustrating experience.

- *Videos.* Classes will be videotaped, but keep in mind: (i) I would prefer to have you in class and (ii) the taping system has failed periodically in the recent past.

8 Grades

Your grade will be computed from:

Problem sets	20%
Midterm exam	35%
Final exam	45%

In addition, attendance and participation can influence the grades of students who are outliers in either direction. Final grades will conform with the school's guideline for core courses: no more than 35% of the class will receive an A or A–. That means, for example, that you can be above average yet get a B.

The fine print:

- *Class attendance and participation.* We all learn more and have more fun when everyone attends class and participates. Participation includes making thoughtful comments in class, asking thoughtful questions, and posting comments on the Announcements & Discussion page. As a favor to me, and to make sure your participation is noted, please bring your nameplate to class and add your name to the sign-in sheet.

- *Problem sets.* There are five problem sets, due in hardcopy at the start of class. **Late problem sets will not be accepted: anything submitted after the start of class on the due date will be given a grade of zero.** You should do Problem Set #0 on your own, but for the others you may work in groups. I recommend groups of two to four, but a group of one is doable, and five might be permitted in unusual circumstances. The work you hand in should be the work of you or your group and include the names of everyone involved on the first page. Outside sources should be noted; ditto quotations.

  Everything you hand in should be a professional product. Anything less will be downgraded accordingly. You should state your answer clearly

and prominently, and not bury it in a pile of calculations. You should not include printouts of data. Any spreadsheet files should be printed on letter paper with a portrait orientation. If through some emergency you submit your work by email, it should be printable in one step, pdf format preferred.

- *Practice problems.* Similar to problem sets, but they are not collected or graded. You will nevertheless find them helpful in reviewing the material covered in class and preparing for exams.

- *Exams.* The midterm and final exams will be held in class. The midterm will last 90 minutes, the final no more than 120 minutes. They will cover material covered in class, reviewed in assignments, or assigned as reading. You can use one sheet of notes: letter paper, both sides, any size type you like. You may also use a calculator, but may not use any device capable of wireless transmission. Proximity to any such device during the exam will be treated as a violation of the honor code (see below).

- *Grading.* **Questions about grading must be made in writing no more than two weeks after the graded material is returned.** Keep in mind: Our prime directive is to treat everyone the same way, whether they appeal or not. For this reason, we will correct clear mistakes but will not reconsider judgement calls.

9 Extras

You may notice that the book and the course outline contain references to extra sources of information. All of them are optional. The last section of each chapter of the book, labeled "if you're looking for more," includes references and links to other sources. We envision this as a resource if you happen to find yourself in a situation that goes beyond what you find in the book. You can also send me an email: the course comes with what we like to call lifetime technical support.

The course outline, posted on the course website, contains lighter references related to each class under the heading "something extra." They're generally short, and sometime humorous, if I can use that word in such close proximity to economics. They are intended to give you a broader perspective of the issues at hand. If you find others that fit, please pass them on — to me and, via Announcements & Discussion, to your classmates.

10 Other sections of the course

Several of us teach sections of this course, but there is generally not much difference in content or materials.

11 Honor Code

The Stern Honor Code was instituted by students and requires every student to act with integrity in all academic activities and to hold his or her peers to the same standard.

In this course, you may discuss assignments with anyone (in fact, I encourage it), but **any work submitted for a grade should be your own** (for individual work) **or your group's** (for group work). This means it should be in your own words and based on your own calculations. Submissions may be scanned electronically to identify content similar to other submissions or to material from other sources used without attribution. On exams, you may bring in and consult one piece of paper with anything on it you like (letter size, both sides), but your answers should be entirely your own work.

12 Professional behavior

In the interest of having a high-quality experience for all, please

- Arrive a few minutes early, both at the start of class and after the break.
- Put away your laptop, iPhone, Android, etc.
- Bring your nameplate.

Thank you in advance.

13 Students with disabilities

If you have a qualified disability that requires academic accommodation, please contact the Moses Center for Students with Disabilities (CSD, 212-998-4980) and ask them to send me a letter verifying your registration and outlining the accommodation they recommend. **If you need to take an exam at the CSD, you must submit a completed Exam Accommodations Form to them at least one week prior to the scheduled exam time.**

© 2014 David Backus | NYU Stern School of Business