

Syllabus: The Global Economy
B01.2303.21/22 | Spring 2009

Revised: January 6, 2009

About the course

We will use economics as a tool for exploring the enormous differences in the economic and business environments of countries. 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 doing business.
- Describe the causes 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.
- Identify countries with promising business opportunities.

I think these skills will serve you well, whether you are selling corporate bonds, marketing consumer products, advising clients on their international operations, managing an emerging market hedge fund, or even working for the Metropolitan Opera.

Prerequisites

I expect you to be able to apply basic tools of economics, statistics, and mathematics. We will use logarithms (extensively) and calculus (somewhat). If you're not sure what this means, please work through the "[Mathematics Review](#)" before the term starts.

Help

There are times when everyone needs a little help. If that happens to you, please come see me. My office hours are Monday 12:00-2:00, but I'm around most of the time and would be happy to talk if not otherwise engaged. (And if I am engaged, please let me know you're there — stick your head in the door and say hello. It gives me a good excuse to end whatever it is I'm doing.) I'm in KMC 7-68 (turn right out of the elevator, through the doors to the economics department, left when you hit the wall, third door on your right, behind the tree). I generally answer email (dbackus@stern.nyu.edu) quickly and will answer the phone (212.998.0873) if I'm in my office.

We also have two first-rate Teaching Fellows. Their contact information is on Blackboard.

Course material

We will use a variety of materials, including:

- *Notes*. We will use custom-designed (“bespoke”) notes that will be distributed the first day of class and posted on Blackboard. They are much more concise than a textbook. Some of the material is demanding, so it's helpful to at least skim them before class.
- *Optional textbook*. Most students do not use a textbook for this course. But if economics is new to you, or you prefer a more leisurely presentation, you might consider buying Mankiw's *Macroeconomics*. If you do, I suggest you buy it used on Amazon or eBay. I'll post readings to the most recent edition on Blackboard, but if you get a good deal on an earlier edition, let me know and I'll post the appropriate chapter and page numbers to that one, too. For our purposes, the 5th and 6th editions are equivalent.

Do NOT buy Mankiw's *Principles of Macroeconomics*. That's the macro half of his principles book, not his macroeconomics book. Here's a [link](#) to the right one.

- *The Economist*. Consider it required reading. We will refer to articles regularly in and out of class. I also recommend the Financial Times. Links to both are provided in Blackboard.
- *Slides*. I will post them on Blackboard approximately one day before class. I reserve the right to change them at any time up to the start of class, but will post the latest version after class.

Grades

Your grade will be based on:

Class participation	10%
Group projects (best 5 of 7)	30%
Midterm exam	30%
Final exam	30%

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-.

The fine print:

- *Class attendance and participation.* Your thoughtful participation makes the course more interesting and productive for everyone, including yourself. You can participate by asking questions, raising issues from articles in *The Economist* and other publications, offering your own insights, or posting articles and comments on the class's discussion board. The participation grade is based on participation in class and activity on the discussion board. To make sure your participation is noted, please bring your nameplate to class.
- *Group projects.* Group projects review and extend the material covered in class. There are six group projects; your course grade will be based on your five best project grades. Answers should be submitted through Blackboard by 9am on the due date.
- *Exams.* The two exams will take 75 minutes each. 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 electronic device that is capable of wireless transmission. Proximity to any such device during the exam will be treated as a violation of the honor code (see below).

Groups

Group projects should be done in groups of no more than five. I will constitute diverse groups before the start of term, on the theory that you can learn a lot from classmates with different backgrounds, but you are free to change the composition of your group at any time as long as you give your former group-mates reasonable notice. Groups can contain members from both sections.

Blackboard

Virtually everything you need for this course will be posted on Blackboard: notes, assignments, slides, and links to electronic information sources. Some online documents, including this one, have links to outside sources that may not be apparent in the printed version.

Submitting projects

To submit a project, go to “Submit Projects” on Blackboard and follow the instructions. **Be sure to submit your project: saving is not the same as submitting.** Please label the submission with its name (eg, Group Project #2) and include the names of all the members of your group on that assignment. If you submit a spreadsheet, it must be printable on letter paper simply by clicking on print. Better yet, convert it to a pdf file and submit that.

If you would like to submit a revision, please label it as such and have another member of your group submit it — Blackboard will not allow multiple submissions by the same person.

Honor Code

At the Stern School, we believe that honesty and integrity are necessary for a rewarding educational experience. These qualities form the basis for the trust among members of the community (students, faculty, and administrators) that is essential for educational excellence. The Honor Code was instituted several years ago by students, and requires each 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). Projects will be scanned electronically to identify projects with content similar to others or with 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.

Professional behavior

In the interest of having a high-quality experience for all, your classmates and I ask that you

- Come on time. I recommend you aim for 5 minutes early, both at the start of class and after the break.
- Put away your laptop.
- Avoid the last row and the section of seats to my right.

We thank you in advance.

Students with disabilities

If you have a qualified disability that requires academic accommodation during this course, 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 to be guaranteed accommodation.