

# Economics of Global Business

# Macroeconomics is Exciting

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- ▶ Big questions. . .
  - Why are some countries rich, others poor? How does a country grow like China?
  - What are the sources of business cycles? What can the government do to prevent/alleviate them?
  - What are the causes/consequences of globalization?

## Why Do We Need This Knowledge?

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- ▶ Accountants, marketing and strategy experts, consultants, entrepreneurs, traders, investment bankers. . .  
They are all called to make important business decisions.
- ▶ Better decisions are made if you understand:
  - How macroeconomic conditions affect individual companies/products.
  - How the globalization changes competitive advantages.
  - How the business cycle shapes economic and financial risk.
- ▶ The goal is to give you tools to analyze these issues.

## About the Course

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- ▶ Big picture overview
  - Long run stuff—growth, cross-country analysis, international trade.
  - Short run stuff—business cycles, monetary and fiscal policy, exchange rates, financial crisis.
- ▶ See week by week summary of topics on course website
- ▶ **Warning: Class moves very quick, especially the first third.**
  - **Concepts learnt in the first couple of weeks are used repeatedly through out the rest of the course.**

## About the Course

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- ▶ My goals
  - Give you a “macro-economists” perspective on the world
  - Keep things simple—but not simpler!
- ▶ Data Sources
  - Course website: syllabus, notes, slides, etc.
  - TF: Information on syllabus.
  - Myself.

# Course Website

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## About the Textbook

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- ▶ One required textbook.
  - **Macroeconomics** by N. Gregory Mankiw (9th edition, though previous editions work as well.)
  - Hard copies should be available for purchase at the NYU Bookstore and other outlets (e.g. Amazon).
  - Customized E-book option available as well. Details on how to purchase are available in the syllabus.
  - This book contains a lot of information, I will only focus on a subset of topics.
- ▶ Notes for international topics such as trade and exchange rate.
  - Will be available on Course Website prior to starting these components.

## About Slides

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- ▶ These provide access to the core of the material we will cover.
- ▶ Think of these like brief lecture notes.
- ▶ Generally, I'm not going to stand up and click through them.

I'll lecture off the white board. These will closely follow what the slides talk through.



## About the Blog

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- ▶ I use this forum to...
  - Communicate with you about current events/economic news and how they fit in with the class material.
  - Discuss more nuanced issues related to class material.
  - Other information relevant to the class.
  
- ▶ Please follow regularly.

## About Grades

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Professionalism	5%
Online Quizzes	10%
Problem Sets	10%
Midterm # 1	20%
Midterm # 2	20%
Final	35%

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## About Online Quizzes

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- ▶ Anticipating about 8-10 of them.
  - All online via Course Website.
  - Multiple choice type questions. Idea is to emphasize important concepts.
  - Several days to complete them.
  - If the online quizzes are not completed, you receive zero credit and there are no make up opportunities.
  
- ▶ Current online survey counts as one. Please complete it prior to January 31st.

## About Problem Sets

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- ▶ Five or six.
  - Mostly quantitative stuff with real data.
  - Some problems similar to ones on the exams.
- ▶ Before handing them out, I will discuss my expectations
- ▶ Group work is fine.
  - No more than 3 to a group.
  - Group of 1 is fine.
  - It's up to you.
- ▶ Grading:
  - Problem sets are graded as “check,” “check plus,” or “check minus.” Problem sets scored check or check plus earn full credit; check minus earns zero credit. **Late problem sets are not accepted.**

## Exams

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- ▶ There will be two in-class midterms. The midterms will be on:
  - **Midterm # 1: March 7, 2018.**
  - **Midterm # 2: April, 11 2018.**
- ▶ The Final will take place during the University specified time:  
**10:00am, May 11th, 2018**
- ▶ Examination-Make-up Test Policy:

**No rescheduling or makeups.**

If you miss the midterm for a justified reason and provide evidence, your final score will be counted instead of the midterm exam.

## About Grades

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25-35% can expect to receive A's for excellent work

50-60% can expect to receive B's for good or very good work

5-10% can expect to receive C's or less for adequate or below work

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## Professional Behavior: Participation I

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- ▶ Broad-based participation part of class design
  - Demands discipline from both of us!
- ▶ Each class I'll pick "volunteers" intended to keep you involved
  - Don't panic
  - Ask for help if you need it
- ▶ If you're stuck, here are some foolproof comments:
  - It depends
  - Fact of life
  - P2C2E

## Professional Behavior: Participation II

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- ▶ Keep things interesting—for you, your classmates, and me
  - Keep it short, keep it simple
  - First couple of classes, say your name before you speak. This will help me learn.
  
- ▶ Evidence of strong participation includes:
  - Listening attentively in class and volunteering to address review questions.
  - Providing evidence of having reviewed what done in previous classes.
  - Demonstrating interest in your peers' comments and questions.
  - Contributing insightful comments and questions.



## Professional Behavior: Attendance

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- ▶ I won't track attendance.
- ▶ I do have an idea of who shows up though.
- ▶ Keep in mind: **attendance is highly correlated with performance.**

## Professional Behavior: Electronic Devices

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- ▶ Please turn them off.
- ▶ Ditto cell phones, Iphones, Ipads, etc.
- ▶ Eating or drinking in class in any way that interferes with class decorum is inappropriate.

## Professional Behavior: Start/End of Class

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- ▶ We will start and end on time
  - 5 minutes early is great . . .
  - Packing up 5 minutes before the end . . . not so great

## About Help

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- ▶ If you get stuck, come see me
- ▶ Email the TF or myself.
- ▶ Will also use the blog to transmit FAQ that I receive or material that requires clarification.

## About Helping Me

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- ▶ If you have ideas, comments, questions, whatever:
  - Come see me
  - Send an email

## About Me I

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- ▶ Grew up in Anchorage, Alaska
- ▶ PhD in Economics, U.Iowa
- ▶ Previously worked at the Federal Reserve Bank of Minneapolis
- ▶ Research interests ...
  - Economic Growth and Development.
  - International economics.

## About Me II

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- ▶ Father of 4 year old AND one year old!
- ▶ Interests: Ice hockey, running, beer, financial markets
- ▶ Weakness: Bad speller