

GEX5060 Macroeconomic Environment

Fall 2018

Kelley - SKK GSB Executive MBA Program

The mission of SKK GSB is to advance business knowledge in a multicultural learning environment in order to develop socially responsible managers who will lead in a global organization.

Instructor:

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Course Description

The course introduces fundamental concepts in macroeconomics and international economics that are critical in understanding the global economic and business environments. The course will help students understand the current events and evaluate policy choices with relevant analytical tools. Students will be presented with materials that constitute the core of economists' viewpoints in today's global economy: (i) what determines economic growth and causes fluctuations in outputs; (ii) the role of central banks and monetary policy in global economy; (iii) forces that drive financial markets and financial crises, and their impact on the world economy; and (iv) factors that influence international trades and the sources of conflicts. The course will discuss roles played by the governments, central banks, and financial institutions, and examine investment and strategic issues faced by businesses in the global economy. The course will be presented through lectures, exercises and student-led discussions of cases and readings.

Learning Objectives

At the conclusion of the course, you should be able to:

- Transform economic data into useful information and be able to interpret the current economic events.
- Apply the analytical concepts and models in macroeconomics and international economics to analyze policy choices.
- Evaluate investment and strategic choices faced by firms in the context of the global economy.

Assurance of Learning

In accordance with SKK GSB's educational mission and goals, this course will help you develop the following skills:

- **Quantitative skills (high)**
- **Critical thinking skills (high)**
- Management skills (low)
- Communication and cooperation skills (low)
- Ethics learning skills (low)
- Foreign language skills (low)

Course Materials

The course material will be drawn from a textbook, readings, lecture notes, and other materials distributed by the instructor.

- **Required Reading**
 - o A Concise Guide to Macroeconomics, David A. Moss, Harvard Business Review Press, 2nd edition (2015). (HBS Product No. 1797-PDF-ENG)
 - o Reading/case packet (To be distributed.)
- **Optional Reading (Highly Recommended)**
 - o Guide to Economic Indicators: Making Sense of Economics, 6th edition (2006) or 7th edition (2010), The Economist, John Wiley and Sons
 - o Ahead of the Curve: Common Sense Guide to Forecasting Business and Market Cycles, Joseph Ellis, 2005, Harvard Business Review Press (HBS 6913-PD-ENG)

Course Policy

- Course grade will be determined by the following criteria

Participation & Presentation	10%
Assignments	50%
Quiz & Exams	40%

- Participation & Presentation – Students are required to participate in the classroom discussions. It is critically important for the success of the course that each students come prepared for the class discussions by completing the reading and case assignments prior to each class.
- Assignments – Assignments in the form of case write-ups or reading questions will be given throughout the module. This is an individual assignment, but you are encouraged to work with others. However, each individual is required to **submit his/her own work**. **No late submission** of assignments is permitted under any circumstances.
- Quiz and Exams – Short quizzes or exams will be given to ensure that students are keeping abreast of the course materials. A final examination will be given at the conclusion of the course. Time will be announced at a later time.

Course Outline

Please note that the following outline is tentative and is subject to change, and the content and the timing of the course materials may change depending on the interests of the class.

Session	Topic	Reading (* indicates required textbook reading)
FRI 1	Output	<ol style="list-style-type: none"> 1. *Concise Guide to Macroeconomics, Chapter 1: Output 2. *A Concise Guide to Macroeconomics, Chapter 5: Fundamentals of GDP Accounting
SAT 1 – AM	Economic Growth	<ol style="list-style-type: none"> 3. Macroeconomic Policy and U.S. Competitiveness, Richard Vietor and Matthew Weinzierl, HBR 1203J 4. How Fast Can the U.S. Economy Grow? Paul Krugman, HBR July-August 1997
SAT 1 – PM	Money & Inflation	<ol style="list-style-type: none"> 5. *Concise Guide to Macroeconomics, Chapter 2: Money 6. *Concise Guide to Macroeconomics, Chapter 3: Expectation
SAT 1 – PM	Monetary Policy	<ol style="list-style-type: none"> 7. *Concise Guide to Macroeconomics, Chapter 4: Short History of Money and Monetary Policy in the United States 8. How the World Works: A Brief Course in Macroeconomics,” Excerpted from: <i>Ben Bernanke’s Fed: The Federal Reserve After Greenspan</i>, Ethan S. Harris
FRI 2	Exchange Rate	<ol style="list-style-type: none"> 9. *Concise Guide to Macroeconomics, Chapter 6: Reading Balance of Payments 10. *Concise Guide to Macroeconomics, Chapter 7: Understanding Exchange Rates
SAT 2 – AM	Current Issues I	<ol style="list-style-type: none"> 11. The U.S. Current Account Deficit, Laura Alfaro & Rafael Di Tella, HBS 9-706-002 12. China’s Trade Disputes, Ivey 909M18 13. China vs. the World: Whose Technology is it? Thomas Hout & Pankaj Ghemawat, HBR 1012H
SAT 2 – PM	Current Issues II	<ol style="list-style-type: none"> 14. Europe: An Ever Closer Union? HBS 9-713-085 15. Brexit, HBS 717028 16. Can the Eurozone Survive? HBS 9-713-034
SAT 2 – PM	Business Strategy	<ol style="list-style-type: none"> 17. The Well-Timed Strategy: Managing Business Cycle, Peter Navarro, California Management Review, CMR 325

(See the following page for one-click access to the reading materials listed above.)

Reading List

Cases and Readings	Link
A Concise Guide to Macro Economics, Second Edition, Chapter 1, Output	https://hbsp.harvard.edu/tu/5f0fe05f
A Concise Guide to Macro Economics, Second Edition, Chapter 5, Fundamentals of GDP Accounting	https://hbsp.harvard.edu/tu/80413014
Macroeconomic Policy and U.S. Competitiveness	https://hbsp.harvard.edu/tu/c7ea917b
How Fast Can the U.S. Economy Grow?	https://hbsp.harvard.edu/tu/b85813f2
A Concise Guide to Macro Economics, Second Edition, Chapter 2, Money	https://hbsp.harvard.edu/tu/788f6136
A Concise Guide to Macro Economics, Second Edition, Chapter 3, Expectations	https://hbsp.harvard.edu/tu/f0d18664
A Concise Guide to Macro Economics, Second Edition, Chapter 4, A Short History of Money and Monetary Policy in the United States	https://hbsp.harvard.edu/tu/b1b1759d
How the World Works: A Brief Course in Macroeconomics--And Where the Fed Fits In	https://hbsp.harvard.edu/tu/fd9049b4
A Concise Guide to Macro Economics, Second Edition, Chapter 6, Reading a Balance of Payments Statement	https://hbsp.harvard.edu/tu/701503b4
A Concise Guide to Macro Economics, Second Edition, Chapter 7, Understanding Exchange Rates	https://hbsp.harvard.edu/tu/d5f74996
The U.S. Current Account Deficit	https://hbsp.harvard.edu/tu/ebbb15a2
U.S. Current Account Deficit, Spreadsheet	https://hbsp.harvard.edu/tu/865ea020
China's Trade Disputes	https://hbsp.harvard.edu/tu/f98d7bca
China vs the World: Whose Technology Is It?	https://hbsp.harvard.edu/tu/042b557c
Europe: An Ever Closer Union?	https://hbsp.harvard.edu/tu/a7330998
Brexit	https://hbsp.harvard.edu/tu/4785e5f8
Can the Eurozone Survive?	https://hbsp.harvard.edu/tu/de8b66f7
Well-Timed Strategy: Managing the Business Cycle	https://hbsp.harvard.edu/tu/de6ba7d9