

Macroeconomics in the Global Environment

Lubin School of Business

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Course Description and Philosophy

1. To emphasize the pragmatic applications of theory. Dr. Abuaf, a former Chicago academic with close to 30 years of Wall Street experience will share his experiences with a wide array of his clients, and will encourage students to comment
2. To emphasize action learning and cross learning from classmates, we will use case studies, and group projects in addition to lectures
3. To familiarize students with economic, corporate finance, investment, and risk management concepts
4. To analyze and discuss current macroeconomic and finance trends using sound economic and finance theories
5. To help students synthesize the theory, the empirical evidence, market color and various other constraints in making pragmatic economic and financial management recommendations
6. **To have fun** by discussing cases, news articles and events

Course Requirements

1. **Blackboard.** All course announcements and related materials will be posted on the class website on **Blackboard:** <http://blackboard.pace.edu>. Students are required to periodically check the class announcements and course documents on **the Blackboard.**
2. **Textbook.** The textbook for the course is: Frederic S. Mishkin, Macroeconomics, Policy and Practice, First Edition, Addison-Wesley, ISBN 978-0-321-43633-7
3. **Attendance and Class Participation.** Regular attendance is an important requirement for successful performance in this course and is **mandatory. I maintain the right to significantly downgrade and even fail you if your absence exceeds 15% of total class time. This statement supersedes the class participation percentage listed below.** You are responsible for knowing what occurs in class which may include material not covered in the readings, modifications to the syllabus and announcements concerning exams, homeworks and quizzes. You will also be expected to actively participate in classroom discussion and answer questions that are posed to you.
4. **Current Events.** Follow the current financial and economic events in the media. Get engaged with what is going on in the political, economic, and financial world around you. Try to read the Wall Street Journal, the New York Times, the Financial Times, Business Week, the Economist, Barron's, and other financial and economic publications. Try to watch Bloomberg TV, or CNBC. Try to listen to Bloomberg radio. Bring your observations and thoughts to class, discuss them with your class mates and your professor.
5. **Quizzes.** There may be several in class, unannounced quizzes consisting of questions and problems similar to those covered in class and given as homework. Students could be also asked to explain their homework solutions in class. It is not as important to have a correct solution as it is to demonstrate that you have worked on your homework.

Grades and Grading

Homeworks.....	15%
Midterm.....	30%
Final Exam.....	40%
Class Participation and Individual Project.....	15%

The final exam will be comprehensive. The individual project will consist of about 20 power point slides and will be graded based on (a) originality, (b) use of quantitative methods, (c) coverage of the literature, and (d) clarity of presentation.

Grading will be based on a normal distribution curve and will follow **Lubin** guidelines. Please do not ask the professor for your grade. You will receive your grade through the regular channels.

COURSE OUTLINE (Subject to Change)

1. Introduction (Chps. 1-2)

1. The policy and practice of macroeconomics
2. Measuring macroeconomic data

2. Macroeconomic basics (Chp. 3-5)

3. Aggregate production and productivity
4. Saving and investment in closed and open economies
5. Money and inflation

3. Long-run economic growth (Chps. 6-7)

6. The sources of growth and the Solow model
7. Drivers of growth: technology, policy and institutions

4. Business cycles: the short run (Chps. 8-13)

8. Business cycles: an introduction
9. The IS curve
10. Monetary policy and aggregate demand
11. Aggregate supply and the Phillips curve
12. The aggregate demand and supply model
13. Macroeconomic policy and aggregate demand and supply analysis

5. Finance and the macroeconomy (Chps. 14-15)

14. The financial system and economic growth
15. Financial crises and the economy

6. Macroeconomic policy (Chps. 16-17)

16. Fiscal policy and the government budget
17. Exchange rates and international economic policy

7. Microeconomic foundations and macroeconomics (Chps. 18-20)

18. Consumption and saving
19. Investment
20. The labor market, employment, and unemployment

8. Modern business cycle analysis and macroeconomic policy

- 21. The role of expectations in macroeconomic policy
- 22. Modern business cycle theory

9. Special topics (Epilogue)

- 23. The great contraction
- 24. More on economics and finance
- 25. More on global issues
- 26. Individual presentations