

ECN 591
Kevin Reffett
Perspectives on the Global Economy
Fall, 2013

Course Introduction

This is a course that surveys various important issues in the economics of the Global Economy. The course studies a wide range of topics, including issues such as economic measurement, business cycle, financial economics, economic growth, monetary and fiscal policy, and international finance. In the course, we will discuss various ways of thinking about these important economic issues, emphasize in particular the strengths and weaknesses of the differing approaches, and discuss how understanding these various approaches facilitates one's understanding of the global business environment.

Student Work Requirements

Aside from being prepared each meeting for discussions of lecture material (e.g., reading over the slides that will be discussed and reading any related material in the book), students will have three other work assignments: (i) two exams (midterm and final), (ii) 1 team project that is a country "investment" project with risk assessment.

That is, there will be two tests in the course. The midterm will be during our fourth class meeting, and the final exam will be during finals "week" (October 9). They will both be closed-book. Because of past complaints from students concerning the use of laptops while taking exams, and my lack of interest in monitoring exams like they do in undergraduate courses, no laptops will be allowed during exam unless students can work out the deliver of "secured" test laptops from the MBA program. That is, unless otherwise arranged, students will handwrite their answers to exam questions in blue books. Exams are all essay. Students will receive review sheets prior to both of the tests that will cover the material on the exam. You will not be surprised.

Students also will participate in one team project, which is a "Country Investment Risk Audit". A separate document discusses this project in depth. A team will consist of at least 5 students, but not more than 6. *This is a binding constraint.* This project is due the last day of class (October 7, 2013). Students will need to turn in their project hardcopy in this class. No late papers will be accepted.

Finally, good webcites that have interesting material on the Global Economy include the Official webcites of Central Banks in any country, as well as the IMF, World Bank, and OECD. We will discuss many current events in this course, so its great to keep on top of things. I will send you references to material on the internet I would like you to find and read.

Class Discussion and Lectures

Although the course is laid out in a "lecture" type format, it is our goal to use the slides more as an organizational tool for classroom discussion. Without such discussion, I will lecture a great deal, *but this is not the goal.* I do want to emphasize particular material that is important. The slides help with this focus. But we will also try to integrate a good deal of classroom discussion into the mix. *Ask questions.*

Course Materials

Required Text: Macroeconomics and the Global Business Environment, third edition, Miles, Scott, and Breeden.

Class Notes

Supplementary material that might prove helpful will be posted on Blackboard.

My discussion of this material will *not* mimic the book. (That would be a bit boring). I will typically guide students as to what material in the book to read with detailed suggestions on my slides. I do suggest reading the book (as it will provide an alternative discussion of much of the material discussed in the class in many cases, and always complement the discussion in my slides).

Also, the book is coming out in a new edition (actually during our semester unfortunately). I am trying to get an electronic copy from the publishers. I did serve as a referee on the revision, so I have all the draft files they sent me. I can post those.

Also, the EIU webpage (for the Economist magazine) is a great resources for student projects.

<http://www.asu.edu/lib/resources/db/eiu.htm>

This is the Economics Intelligence Unit website for the magazine *The Economist*. It is a great resource for your country risk projects (and also for the background in our course). That is, this website has key information on many countries around the world including an evaluation of the each countries current economic condition and forecasts of the future. This resource could be very useful for the Country Investment Projects. Also, check the IMF and World Bank web pages.

I also suggest reading the *Financial Times*, *New York Times*, *Wall Street Journal*, *Forbes*, etc. The internet is also useful, of course.

Layout of Grading for the Class:

Exam 1:
(25%) September 16, 2013 (in class).

Final Exam
(30%) Final Week, October 9, 2013

Country Investment Project (25%):

Class Participation: (20%)

Both exams will be centered on (i) my slides, (ii) our discussion in class, and plus all articles/materials posted on Blackboard related to the discussions.

Class participation will be based on what your remarks/discussions during class, as well as evaluations by your fellow team members per your group project. In particular, w/ your final exam, I will ask each of you to turn in two evaluations. The first evaluation will be a peer evaluation of each of your colleagues for your Country Investment Project. The second evaluation will be a "self" evaluation, and will discuss your own participation in the class. This latter evaluation is a statement of advocacy, so feel free to make a very positive case. Of course, I will know all of you by then; so I will have my own viewpoint when reading your remarks. Finally, there are no "forms" for these two evaluations. Just write what you want, I will read it, and compare your discussion against my own impressions.

Other Useful Information for the Course

Professor Email Address: Kevin.Reffett@asu.edu

Office Hours/Contacting Me:

Office Hours: 12:15-1:30, M, or by Appointment, voice, email.

My office is at CPCOM, 435J (Computer Common's building). That is one good place for appointments. Alternatively, we can talk after class, sometimes before class, or during breaks. We can also make appointments.

An Honest Appraisal of Your Options for Contacting Me:

Appointments are good, I like them, but of course they presume prior contact. So I should discuss how best to accomplish the "contacting me" objective. You can always contact me by via email. That one works *great*, almost 24 hours a day, even when I am on the road giving seminars or traveling. It's the way to go in my humble opinion.

My office phone is 480-965-7006. I check my office voicemail religiously once every three months. I am not a big cell-phone person either. You can email me for a phone conversation though. Therefore, overall, I feel the "phone/voice" option is probably not a solid option for contacting me.

One final thing to remember during the entirety of this course: If you cannot contact me yet you feel that you absolutely must, never freak out. We will work something out, I promise. Reason will usually carry the day immediately, and if not, we will move our discussion of the matter to another day where the voice of reason will become decisive. So remain calm in such difficult circumstances, relax, and if necessary, just drink another glass of Bordeaux (red).

Attendance:

It is encouraged that you attend class whenever possible. We discuss material not on the slides. Whatever we discuss in class is material for testing. So if you miss class, you need to get copies of notes, etc. if you miss class. But, this is a graduate course so I am assuming you are each capable of making the appropriate decision(s) on all matters concerning your personal and professional life (including attending my course). So I will not be taking attendance. Again, I do highly recommend you attend class.

Finally, as mentioned earlier, lively discussion in class is the best way to justify a solid participation grade from me, not simple attendance.

Course Schedule

Week 1, Aug 26

-Lecture/Discussion: Introductory Comments and Measurement (Chapters 1, 2, 5)

Week 2, Sept 6

-Lecture/Discussion: Business Cycles (Chapters 3, 11, 14, 15)

Week 3, Sept 9

-Lecture/Discussion: Capital Markets. (Chapters 4, 10, and 16)

Week 4, Sept 16

-**Midterm Exam:**

Week 5, Sept 23

-Lecture/Discussion: Labor Markets (Chapter 7)

Week 6, Sept 30

- -Lecture/Discussion: Economic Growth (Chapters 4-6)

Week 7, Oct 7

-Lecture/Discussion: Monetary Policy (Chapters 12-13)/International Finance (19-21)

-**Country Project Reports due**

-**self-evaluations of class participation, as well as group members**

Final Exam