Global Economy (B01.2303.91)
Professor Lawrence Kreicher
Syllabus/Course Outline

Office Location:  TBD
Email:  lkreiche@stern.nyu.edu
Office Hours:  Tuesdays, 4:30-6 PM & after class

Teaching Assistant:  TBD
Office Location:  TBD
Email:  TBD
Office Hours:  TBD

Course Description

This course is about economic performance -- how & why countries perform as they do, in both the long- and short-runs. We will consider different ways of measuring economic performance, and look at broad questions like: Why are some countries richer or otherwise “better off” than others? Why are workers in one country more productive than those in another? What factors determine a country’s long-term or trend growth rate? Why does a country’s economic performance fluctuate over time? We will also examine the roles that financial markets, economic policies, government regulations, and international linkages play in determining performance. These matters are at the heart of macroeconomics.

By the end of this course, you will be able to:

(i) Comment intelligently on global economic events and trends.
(ii) Evaluate the opinions offered by policy makers & politicians, market analysts, and financial journalists: Are their views both internally consistent and consistent with the data? What economic assumptions are they making?
(iii) Identify and evaluate the “big picture” elements that make a country an attractive or dubious place to buy, sell, or produce goods or services, or to make physical (direct) or financial investments.

In the process you will learn more about the economic performance, history, policies, and institutions of the United States and various foreign countries.

Prerequisites

You are expected to be comfortable with basic economic concepts, algebra, and calculus.
Help

If you need help, please see me during my office hours before or after class. Outside of class, please send me an email (lkreiche@stern.nyu.edu) and I will generally reply within 24 hours. Phone for Emergencies: (203) 273-6441.

Textbook/Other Course Materials

In this course we will have only one required text:

William Easterly, *The Elusive Quest for Growth* (MIT, 2001)

This short and inexpensive book, which is available in the NYU bookstore, will be helpful during the first few weeks of the course.

A second text that can serve as a supplemental reference for many of our topics is:


The Mankiw textbook is *not* required but may be helpful, depending on your previous exposure to macroeconomics. In the attached course Calendar/Outline I have highlighted the sections in Mankiw that correspond most closely to the topics discussed in class, and I will put a copy on reserve in the library if you want to look at it from time-to-time.

[Feel free to use other textbooks and resources, including the Internet, to help you understand our course content, but remember that you will be responsible for that content as presented in class.]}

Other relevant class materials, including copies of lecture slides, will be posted on the course management system (Blackboard).

Students are strongly encouraged to keep up with current economic issues by reading the *Wall Street Journal* and *The Economist* weekly magazine. Selected articles from these publications will be discussed in class each week.

Evaluations/Grades

Your grade in this course will be based on the following items and associated weights:

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<thead>
<tr>
<th>Item</th>
<th>Weight</th>
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<tr>
<td>Classroom Participation</td>
<td>10%</td>
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<tr>
<td>In-class Group Presentation</td>
<td>15%</td>
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<tr>
<td>Homework Assignments</td>
<td>15%</td>
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<tr>
<td>Mid-Term Exam #1</td>
<td>20%</td>
</tr>
<tr>
<td>Mid-Term Exam #2</td>
<td>20%</td>
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<tr>
<td>Final Examination</td>
<td>20%</td>
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Final grades will follow the School's guideline for core courses: No more than 35% of the class will receive an A or A-. This guideline was instituted to address student concerns that different sections of a course might be graded by different standards.

Class Participation -- Active participation in class will make the course more interesting and useful and is an essential part of the learning process. All students are expected to contribute by sharing personal insights, asking good questions, and discussing current events. I encourage students to email me articles on relevant topics for redistribution to the class. Please note that your participation grade will be based on the quality, not quantity, of your contributions. Remember to bring your nameplate to class. Missing class or any sort of distracting classroom behavior may adversely affect your grade.

Group Presentations -- Each student will be a member of a 5-6-person group. Each group will make a 15-minute presentation to the class on a topic of current interest. Topics will be assigned during the second class session. Group presentation scores will be based on both substance and style.

Homework Assignments -- Homework questions will be posted online following each class session. HW assignments must be submitted before the start of the next class session (Tuesday, 6PM). HW answers will be posted online once the deadline passes. In calculating each student’s total HW grade, I will drop the lowest of his/her nine scores.

Examinations -- There will be three exams: two Mid-Terms and a Final. Each will be 75 minutes in length and will be administered in class. They will consist of multiple-choice and other short-answer questions. There will be calculations, so plan on bringing a calculator (but nothing capable of wireless transmissions). The Mid-Term dates are noted on the Calendar/Outline, and the Final Exam is on the last scheduled class date. For each exam you may use one sheet of notes -- letter paper, both sides, any size font.

Honor Code

The Stern community believes that honesty and integrity are necessary for a rewarding educational experience. Stern’s Honor Code 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 outside assignments with anyone, but all written submissions must be exclusively your own work. As noted above, for exams you may bring in and consult one sheet of notes, and while basic calculators are required for exams, electronic devices capable of wireless transmissions are strictly prohibited. Obviously, cheating of any kind on exams will not be tolerated.

We also hold ourselves to a high standard of professional behavior. If you must arrive late, leave early, or otherwise enter or leave the classroom while class is in session, you must do so as quietly as possible. Using cell phones, holding private conversations, or behaving in any way that disrupts the class is not acceptable. Repeated violations of this standard will affect your participation grade.
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Calendar/Outline

Session 1 (Tuesday, February 9, 2010) -- Measuring Economic Performance
Required Reading -- Easterly, Chapter 1
Supplemental Reading -- Mankiw, Chapter 2

Session 2 (Tuesday, February 16, 2010) -- Modeling Economic Growth
Required Reading -- Easterly, Chapters 2-3
Supplemental Reading -- Mankiw, Chapters 3 & 7

Session 3 (Tuesday, February 23, 2010) -- Sources of Economic Growth
Required Reading -- Easterly, Chapters 8-9
Supplemental Reading -- Mankiw, Chapter 8

Session 4 (Tuesday, March 2, 2010):
First Half: *** Mid-Term Exam #1 ***
Second Half: International Trade: Theory & Practice

Session 5 (Tuesday, March 9, 2010):
First Half: International Trade: Theory & Practice (con’t)
Second Half: *** Group Presentations ***

TUESDAY, MARCH 16, 2010 -- NO CLASS

Session 6 (Tuesday, March 23, 2010) -- Balance of Payments & Exchange Rates
Supplemental Reading -- Mankiw, Chapter 5, Section 3

Session 7 (Tuesday, March 30, 2010) -- Global Capital Markets & Exchange Rates

Session 8 (Tuesday, April 6, 2010):
First Half: *** Mid-Term Exam #2 ***
Second Half: Business Cycles
Supplemental Reading -- Mankiw, Chapter 9, Section 1
Session 9 (Tuesday, April 13, 2010):

First Half: Business Cycles (con’t)
Supplemental Reading -- Mankiw, Chapter 10, Section 1

Second Half: *** Group Presentations ***

Session 10 (Tuesday, April 20, 2010) -- Money & Inflation/Monetary Policy
Supplemental Reading -- Mankiw, Chapter 4/Chapter 10, Section 2/Chapter 11

Session 11 (Tuesday, April 27, 2010) -- Fiscal Policy/Stabilization Policy
Supplemental Reading -- Mankiw, Chapter 15

Session 12 (May 4, 2010):

*** Final Examination ***