The Global Economy
Professor Kim J. Ruhl

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Introduction
As barriers to the movement of goods, services, and capital continue to fall, the world’s economies are becoming increasingly intertwined. In this environment, every decision an executive makes must account for the workings of the world economy. In this course we will use economic tools to help us understand how countries interact to form the world economy. To give a few examples, we will study how business conditions differ across countries, what economic indicators mean and how they can be used in forecasting, how a country’s policies impact the rest of the world, international capital flows and foreign exchange, and the economic growth (or lack thereof) and fluctuations of countries.

By the end of this course, you will be able to
- interpret macroeconomic data such as unemployment rates, current account deficits, gross domestic product, and price indices
- understand what international organizations like the International Monetary Fund and the World Bank do and how they affect the international economy
- describe what policies and characteristics encourage economic growth
- be able to evaluate and critique the opinions of analysts and journalists

Prerequisites
I expect you to be able to apply the tools of basic economics, statistics, and mathematics. We will use logarithms extensively and calculus—particularly derivatives—occasionally. I encourage you to work through the “Mathematics Review” to ensure that you are up to speed.
Help
If you find you need some help, please contact me or your teaching assistant. My office hours are listed above, but I am also available by appointment. I usually reply to email quickly and I answer my phone when I am in the office. The teaching assistants are available in class and by appointment.

Blackboard
Virtually everything you need for this course will be posted on Blackboard: notes, assignments, slides, and links to electronic information sources. Some online documents have links to outside sources that may not be apparent in the printed version.

Communication
The key to any successful relationship is good communication. I use the announcements section on Blackboard extensively. I try to make a note there whenever I post something, or have other information to pass along. In return, I expect you to share your comments and observations with me. You may email or phone me, stop by my office, catch me before or after class, or talk with your teaching assistant.

Course Materials

- **Texts.** There is no required text for the course. If you are new to economics, or if you would like to read along in a textbook, I would suggest purchasing Mankiw’s *Macroeconomics*, (ISBN 0716762137). I will post readings from the 6th edition for those who would like to read along.

- **Notes.** Rather than use a one-size-fits-all textbook, we will use notes that are written specifically for this course. These will be posted on the course website. I expect you to have read through them before class.

- **Articles and miscellaneous readings.** We will frequently read and discuss short articles that relate to the topics we are studying. These articles will be posted on the course website.

- **Slides.** I will make every effort to have a preliminary version of my slides available before class and I will post an updated version after class if necessary.
Grading
Your course grade will be computed as

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<tr>
<td>Class Participation</td>
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<td>Problem Sets</td>
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<td>Final Exam</td>
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- **Class participation.** Everyone learns more and has more fun when people participate in class. Class participation includes asking thoughtful questions, raising issues from current events, and sharing your own relevant experiences.

- **Problem sets.** In the problem sets you will be asked to compute numerical examples similar to ones we have covered in class, find and analyze data, and use the principles we are studying to analyze and comment on various issues. You are encouraged to discuss the problems sets and work with your classmates to complete the assignments. The work you turn in, however, should be your own and your submission should include the names of the people with whom you have worked. There are five problem sets throughout the semester. I will drop the lowest score and average the remaining four.

- **Exams.** The midterm and final exams will be 75 minutes long and cover any material covered in class or assigned as reading. You may use one sheet of notes (letter size paper, both sides) and a calculator, but you may not use any device that is capable of wireless transmission.

Honor Code
At Stern we believe that honesty and integrity are necessary for a rewarding educational experience. These qualities form the basis for the trust among members of the community (students, faculty, and administrators) that is essential for educational excellence. The Honor Code was instituted several years ago by students, and 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 assignments with anyone (in fact, we encourage it) but any written work submitted for a grade should be your own. On exams, you may bring in and consult one piece of paper with anything on it you like (letter size, both sides), but your answers should be entirely your own work.

We also hold ourselves to a high standard of professional behavior. Lateness, cell phones, private conversations, browsing the internet, checking your email, and any other behavior that disrupts the class will be considered inappropriate. Repeated violations of this standard will affect your participation grade.