The Global Economy
B01.2303.00: Saturdays 9am-12pm
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About the course

We will use economics as a tool for exploring the enormous differences in the economic and business environments of countries. By the end of the course, you will be able to:

- Explain how differences in local conditions and institutions affect the nature and cost of doing business
- Describe the causes of good long-term performance: why per capita income is higher in the United States and France than in China and India, and why China and India are among the fastest growing countries in the world
- Evaluate indicators of good short-term performance and their impact on product and financial markets.
- Identify countries with promising business opportunities
- Evaluate and critique the opinions of analysts and journalists
- Interpret macroeconomic data such as unemployment rates, current account deficits, gross domestic product, and price indices.

These skills will serve you well, whether you are trading financial securities, marketing consumer products, advising clients on their international operations, managing an emerging market portfolio, or even working for a movie studio.

Prerequisites

You should be able to apply the basic tools of economics, statistics and mathematics. We will use logarithms (extensively) and calculus (somewhat). Please work through the “Mathematics Review” before the term starts to ensure that you are up to speed.
Help

If you find you need some help, please contact me or the teaching fellow. In addition to my Saturday office hours (after class), I also am available by appointment. I usually reply to email quickly. If you don’t hear from me within 24 hours, feel free to email again. The teaching fellow is available in class and by appointment.

Blackboard

Virtually everything for this course will be on Blackboard: notes, assignments, slides, and links to information sources. Some online documents will have links to outside sources that may not be apparent in the printed version. If all goes well, videos of classes will be posted roughly one day later. You are encouraged to post comments, articles, or questions (including questions about the problem sets) on the Discussion Board.

Communication

I will use the announcements section on Blackboard extensively. I will try to make a note there whenever I post something. In return, I expect you to share your comments and observations with me. You may post to the Blackboard Discussion Board, email me, catch me before or after class, or talk with the teaching fellow.

Course Materials

Optional Textbook

There is no required text for the course. If you would like to read along in a textbook, I would suggest using Mankiw’s *Macroeconomics* (ISBN 1429218878). I will post readings from the 7th edition for those who would like to read along. Here’s an Amazon link for the book.

Notes

Rather than 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.

Readings

We will frequently read and discuss short articles that relate to the course. These articles will be posted on Blackboard.

The Economist

Subscription information will be posted on Blackboard. Consider it recommended reading. It’s a useful weekly summary of what’s going on in the world.

Slides

I will post a preliminary version of the class Powerpoint slides before class and, if necessary, an updated version after class. If you find the slides difficult to read on their own, that’s a feature not a bug: they’re designed to facilitate discussion and have gaps for you to fill in.
Grading

Your course grade will be computed as

- Class Participation 10%
- Problem Sets 30%
- Exam 1 30%
- Exam 2 30%

Class Participation

Everyone learns more and has more fun when people participate actively in class. Class participation includes asking thoughtful questions, raising issues from current events, and posting comments (and articles) on the discussion board. To make sure your participation is noted, please bring your nameplate to class. Attendance matters, so please complete the sign-in-sheet for each class.

Problem sets

There will be four problem sets. You will be asked to compute numerical examples, find and analyze data, and use the principles we are studying to analyze and comment on various issues. You may discuss the problem sets and work with a small group of your classmates (no more than five students in a group) 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.

Exams

The two exams will be 75 minutes long (during class time) and cover any material presented 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.

Course grades follow Stern’s guideline for core courses: no more than 35 percent of the class will receive an A or A-.

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, cellphones, 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 grade.

Professional Behavior

In the interest of having a high-quality experience for all, your classmates and I ask that you

- Arrive on time. I recommend you aim for a few minutes early, both at the start of class and after the break.
- Put away your laptop, iPhone and Blackberry.
- Join your classmates. Avoid the last row.

We thank you in advance.

Students with disabilities

If you have a qualified disability that requires academic accommodation during this course, please contact the Moses Center for Students with Disabilities (CSD, 212-998-4980) and ask them to send me a letter verifying your registration and outlining the accommodation they recommend. If you need to take an exam at the CSD, you must submit a completed Exam Accommodations Form to them at least one week prior to the scheduled exam time to be guaranteed accommodation.