Introduction

The performance of a firm is inextricably tied to the country in which it operates. In this class we will use economic theory to understand how institutions and markets shape the performance of a country. Our central goal is to develop a set of tools that can be used to evaluate—and to some extent predict—the performance of a country.

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 the fundamentals of long term growth. What policies and characteristics encourage economic growth?
- Understand the nature of short term fluctuations and their impact on markets.
- Evaluate and critique the opinions of analysts and journalists.
- Evaluate the short and long term business opportunities in different countries.

Important Dates

Midterm Exam: TBA.
Final Exam: TBA.

Please plan accordingly. Personal travel is not a valid excuse to reschedule an examination.

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” before class begins to ensure that you are up to speed.
Help

If you find you need some help, please contact me or your teaching fellow. My office hours are posted on NYU Classes, but I am also available by appointment. I usually reply to email quickly. The teaching fellows are available in class and by appointment.

If you have a question about the problem sets, you should post your question to the appropriate discussion board on NYU Classes. I will monitor this board and answer these questions for everyone’s benefit. If you would like your question to be posted anonymously (with respect to the other students) you may email your question to me, and I will post it.

NYU Classes

Virtually everything you need for this course will be posted on NYU Classes: notes, assignments, slides, and links to electronic information sources. I will post a week-by-week breakdown of everything you need to know. Note that 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 NYU Classes 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 me, stop by my office, catch me before or after class, or talk with your teaching fellow.

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 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, and a complete set of notes will be distributed at the first class. 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** Copies of the day’s slides will be distributed at the beginning of each class. I also post a preliminary version of my slides to NYU Classes (approximately) the day before class and an updated version after class, if necessary.

**News** I expect you to read regularly a publication that covers economic topics. My favorites are *The Economist* and the *The Wall Street Journal,* but *The New York Times*, Bloomberg.com or any other suitable publication or website will do.
Grading

Your course grade will be computed as

<table>
<thead>
<tr>
<th>Component</th>
<th>Weight</th>
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<tbody>
<tr>
<td>Problem Sets</td>
<td>33%</td>
</tr>
<tr>
<td>Midterm</td>
<td>30%</td>
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<tr>
<td>Final</td>
<td>37%</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. You can participate during class and in the online discussion boards available on NYU Classes.

In the discussion boards, we will focus on a different topic each week. Once a semester, you will be asked to post the lead comments on the discussion board regarding the week’s discussion topic. More details will be provided at the first class.

**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 problem sets and work with your classmates in groups of up to 5 students on problem sets #1–4. Problem set #0 is to be done individually.

There are 5 problem sets over the semester. Your problem set score is the average of your problem sets with the 4 highest scores, i.e., your lowest-scored problem set is dropped. Problem sets are due by the beginning of class and are to be turned in hard copy format. Late homework is not accepted.

**Exams** The exams will be 90 minutes long and cover any material from 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.

Professional behavior

In the interest of maximizing positive externalities and minimizing negative externalities, your classmates and I ask that you

- Come on time. I recommend you aim for 5 minutes early, both at the start of class and after the break.
- Put away your laptop and Blackberry/iWhatever.
- Join your classmates; avoid the last row. Be engaged!

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.