

Course: *ECONOMICS 5211: GLOBAL ECONOMICS*
Academic Year: 2012/13 **Semester/Quad:** Fall Quad B
Credit Hours: 2
Prerequisites: *ECONOMICS 5210*

Instructor: Dr. Kasthuri Henry

Phone: 224-595-7418

Email is the best way to get a hold of me or schedule a time for a call. Since I will not have access to NPU email during regular work hours please save the below contact email address so that my mobile devise receives your emails and enables me to respond to you at my earliest convenience.

Email: kasthurihenry@hotmail.com

Availability:

I will be available to meet with students before or after the scheduled class hours. As a visiting professor, who is not on campus FT, the best way to reach me is by emailing me at kasthurihenry@hotmail.com and if necessary scheduling a time for a conf. call.

Course Description:

International Economics

- Absolute Advantage**
 - Access to different goods
 - Potential for economies of scale
 - Increases competition
 - Generates economic growth
 - Adds global value
 - Social and cultural benefits
 - Factor Endowments
- Balance of Payments**
 - Trade in Goods
 - Trade in Services
 - Income
 - Current Transfers (Current Account)
 - Transfers of assets and liabilities (Capital Account)
- Comparative Advantage**
 - Specialisation
 - Different Opportunity Cost Ratios
- Exchange Rates**
 - Imports - S £
 - Exports - D £
 - Speculation
 - Differences in interest rates
 - Fixed Exchange Rates
 - Floating Exchange Rates
 - Managed Floating
 - Appreciation (Rise in £)
 - Depreciation (Fall in £)
- Reasons for Trade**
 - Access to different goods
 - Potential for economies of scale
 - Increases competition
 - Generates economic growth
 - Adds global value
 - Social and cultural benefits
 - Factor Endowments

Global Economics begins with the further development of the IS and LM model. The model is first applied in the context of a closed economy, and then expanded to encompass an open economy. Here the effects of the trade balance, monetary policy, trade and budget deficits, and exchange rate fluctuations are explored.

The historical background of international trade is explored, and the trading system of Mercantilism is presented. Under theoretical pressure from David Hume and Adam Smith, Mercantilism gave way to free trade based on the models of absolute advantage, and comparative advantage. The Heckscher-Ohlin model then opened the way for a discussion of the global exchange of resources, and changing patterns of trade between nations. Over time in the twentieth century, the international trade has tended to increasingly focus on the key role of the multinational companies. The global competition of companies, and the strategic positioning of firms in international markets is analyzed.

Students will study models such as those developed by Leontief, MacDougall, Stolper-Samuelson, Rybczynski, Linder, Vernon, Krugman, and Porter as they relate to the testing of trade theories, or as attempts to explain the nature and effects of international trade. Analytical devices and concepts such as isoquant and isocost analysis, economies of scale, capital / labor ratios, and monopolistic competition will be presented. The effects and arguments for tariffs, the importance of intra-industry trade, as well as cultural comparisons of nations, and the international product life cycle will be explored.

The nature and goals of regional economic alliances is presented and the role played by both business and government is analyzed. The course looks at international labor markets, the role of exchange rates, and the importance of capital and technology movements across the globe. References are made to the data and analysis presented in publications of the World Bank, the IMF, the OECD, and the UN. Students will learn how the study of global economics can provide a strong set of analytical tools for ethical business decision-making.

Business decisions are significantly influenced by what happens in the global economy. Changes in exchange rates, central bank decisions and the movement of interest rates, trade alliances, and trade restrictions all have an important affect on the functioning of global business. It is essential for managers to be able to understand the impact of changes in the global economy on their day-to-day business operations.



Course Materials:

REQUIRED

Textbook(s): Robert E. Hall and David H. Papell, John B. Taylor, **Macroeconomics Economic: Growth, Fluctuations, and Policy**, Sixth edition, New York, W. W. Norton and Co., 2005. ISBN: 0 393-97515-0

Additional Text: Lee Sundholm, **Global Economics**, McGraw Hill, 2012. ISBN 13 9780390723189

Articles: Articles from various scholarly journal and current news will be used to keep the learning relevant to real world happenings. The students will be required to research/find the suitable articles for the class/assignments.

Cases: Case Studies will be used and the students will be required to research/find the suitable articles for the class/assignments

RESOURCES

CNN Money: <http://money.cnn.com/>

Forbes: <http://www.forbes.com/>

Bloomberg News: <http://www.bloomberg.com/>

Economist: <http://www.economist.com/>

Harvard Business Review: <http://hbr.org/>

Cornell University: <http://www2.iohnson.cornell.edu/alumni/enterprise/fall2008/features2.html>

GNH: <http://www.grossnationalhappiness.com/> & <http://www.gnhusa.org/>

Essential IDEA Objectives:



The essential objectives of this course (per the IDEA framework, a nationally recognized assessment tool used by many higher learning institutions) are:

1. Learning to apply course material (to improve thinking, problem solving, and decisions).
2. Developing specific skills, competencies, and points of view needed by professionals in the field most closely related to this course.
3. Acquiring an interest in learning more by asking questions and seeking answers.

Specific Course Objectives:



Economics is a social science that studies the behavior of social systems – such as markets, corporations, unions, international institutions, legislatures, and even families – through the lens of a unified analytical framework. That framework is built on the premise that individuals have goals and pursue those goals, subject to the constraints of resources, technology, and institutional setting. Thus, the focus is on the way individuals make decisions and how those decisions add up, and interact with one another, to produce the social systems we observe. Ultimately, economics offers insights into the study and design of policies to improve the performance of the system.

After completing SBNM 5211, students should be able to apply these concepts for effective decision making across all aspects of their lives. Learning objectives of this course are:

- ✓ Gain factual knowledge regarding the application of macroeconomic concepts to the global economy.
- ✓ Learn fundamental principles and theories of international trade
- ✓ Learn to apply course materials to improve thinking, problem solving, and decision making.
- ✓ Acquire a basic understanding of leading theories and models of international trade.
- ✓ Identify the major characteristics of the contemporary global economy, and the drivers of the resulting globalization process.
- ✓ Explain the functioning of foreign exchange rate markets, and the determination of relative currency values.
- ✓ Explain how international trade is related to the expansion of markets and foreign investment.
- ✓ Contrast the characteristics of national economies by income, as well as by other measures of development.
- ✓ Appraise the effects of the global competition of companies, and the positioning of firms in international markets.
- ✓ Discuss the nature of national, regional economic alliances, the various levels of economic integration, and currency systems.
- ✓ Apply data and studies from major international organizations (for example, the CIA World Factbook, the IMF, OECD, UN, and World Bank).
- ✓ Explain how the study of global economics can provide a strong set of analytical tools for ethical managerial decision-making.



Course Methodology:

The goal of a good management education program should be to give students the opportunity to study and practice the application of management theory. Just studying theory without the opportunity to practice the application of that theory is not very effective. Upon completing their business education, managers will be expected to be able to apply what they've learned to real-world business situations.

Just as a doctor or scientist would not be unleashed into the world to practice their craft without first successfully demonstrating that they are able to apply their learning to real-world situations, so must an aspiring business leader!

Thus, this course stresses the application of core managerial accounting principles via the use of the following methodologies:

- Lectures
- Case Studies
- Research & Home Work Assignments
- Video Case Studies/Tutorials
- Class Discussion and Simulated Activity including role play
- Team work



Computer Requirements:

In order to effectively participate in and successfully complete this course, each participant will need to have access to a computer and a high-speed internet connection. Please visit

<http://www.northpark.edu/Campus-Life-and-Services/Information-Technology/Network/Minimum-Requirements> for information on computer requirements.

Technical Skills Required:



The technical skills required for this course are:

1. Basic Understanding of Micro Economics
2. Library Research skills to find articles and case studies pertaining to the course material application
3. Working knowledge of Excel and graph to apply the economic concepts

Schedule of Weekly Assignments:

Week	Dates	Topics	HW Assignment(s)– Distributed in Class
1	Oct 22 - 28	Required Text : Chapter 7, 8 & 9 Additional Text: Chapters 1, 2 & 3 Development of the IS and LM model; the closed economy and the open economy; foreign trade and exchange rates; the trade balance, interest rates, and the value of the dollar; the Fortune Global 500; the volume of world trade; GNI levels as measured by the World Bank.	A short 1-2 page written assignment promoting Bloom's Taxonomy Requirements

Week	Dates	Topics	HW Assignment(s)— Distributed in Class
2	Oct 29 – Nov 4	Required Text : <i>Chapter 18</i> Additional Text: <i>Chapters 15</i> Foreign exchange and the exchange rate; cross exchange rates; convergence of world economies; the international financial and monetary system; the reasons for and the effects of tariffs; Mercantilism; the specie flow mechanism; absolute advantage; comparative advantage; trading partners of the U.S.	A short 1-2 page written assignment promoting Bloom's Taxonomy Requirements
3	Nov 5 - 11	Required Text : <i>None</i> Additional Text: <i>Chapters 4, 8 & 9</i> The globalization process; drivers of globalization; purchasing power parity; Heckscher-Ohlin and the Leontief paradox; economies of scale and returns to scale; business firm expansion into foreign markets. The production possibilities concept; isoquant and isocost analysis; MacDougall's test of comparative advantage; Stolper-Samuelson theorem; comparisons of capital/labor ratios between nations; Krugman and monopolistic competition.	A short 1-2 page written assignment promoting Bloom's Taxonomy Requirements
4	Nov 12 - 18	Review & Mid-Term: <i>Mid-Term Exam</i> <i>Covering Chapters covered weeks 1 through 3 using open notes</i>	Thanksgiving Break Nov 19 – 25 (No Classes)
5	Nov 26 – Dec 2	Required Text : <i>None</i> Additional Text: <i>Chapters 10, 11, 12</i> Economic growth and international trade; intra-industry trade; international factor movements; types of economic systems; levels international economic integration; the EU and EMU; NAFTA.	A short 1-2 page written assignment promoting Bloom's Taxonomy Requirements
6	Dec 3 - 9	Required Text : <i>None</i> Additional Text: <i>Chapters 18 & 19</i> The Rybczynski theorem; expansion; Linder's demand side model; Vernon's international product cycle model; trade alliances, the international financial and monetary system; the developing economies and the role of international trade. From the multinational corporation to the world economy; Michael Porter and the competitive advantage of nations; institutions of the world economy.	A short 1-2 page written assignment promoting Bloom's Taxonomy Requirements
7	Dec 10 - 13	Final Exam: <i>Open Notes covering content from weeks 5 & 6.</i>	

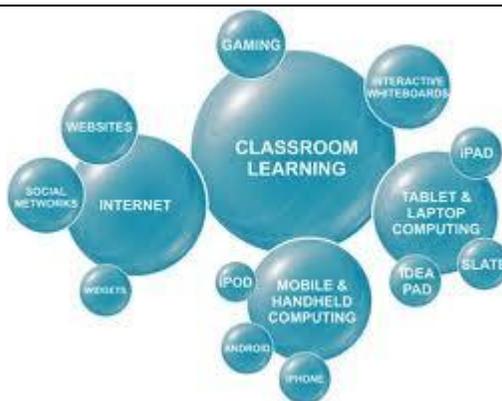
Grading:

There is a possible 100 points for this course and students will earn a grade reflective of their earned points. There will be no grading on a curve.

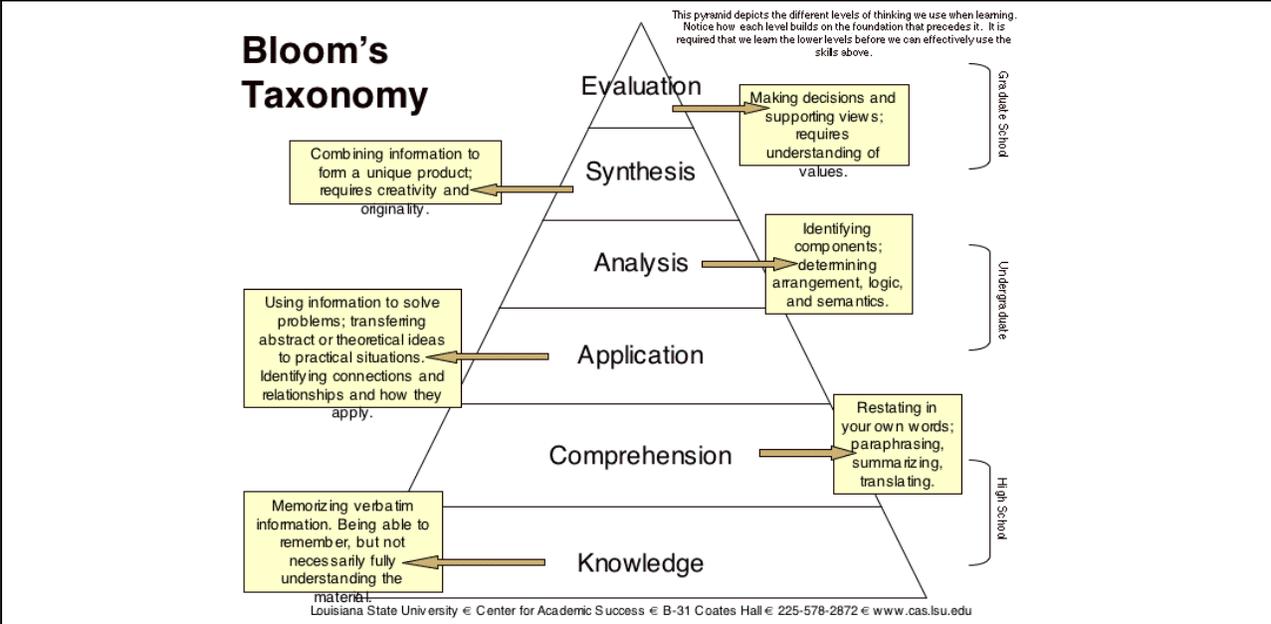
Assignment	Points	Grade %
Class Discussion, Simulated Exercises & Case Study	15 Points	15%
Home Work	15 Points	15%
Mid-Term Exam	35 Points	35%
Final Exam	35 Points	35%
Total	Enter total number of points possible	100%

Grade Mapping:

Numeric Grade	Letter Grade	Numeric Grade	Letter Grade	Numeric Grade	Letter Grade
95 - 100	A (95-100%)	80 - 82	B- (80-82%)	67 - 70	D+ (67-70%)
90 - 94	A- (90-94%)	77 - 79	C+ (77-79%)	63 - 66	D (63-66%)
87 - 89	B+ (87-89%)	73 - 76	C (73-76%)	60 - 63	D- (60-63%)
83 - 86	B (83-86%)	70-72	C- (70-72%)	0 - 59	F (<60%)

Assignment Grading Policies: Applicable to all assignments

1. All assignments must be submitted on the due date. No late assignments will be accepted. Any unplanned and unavoidable issues that may come-up should be communicated via email to the professor and extension approval obtained via email.
2. All problems must be solved using Excel and Excel Formula to simulate the real world working process. 80% of the points will be for work and steps demonstrated while 20% of the points will be for the answer. Answers alone will not be acceptable and they will not qualify as a completed assignment.
3. Sources must be cited to avoid plagiarism to insure student does not take credit for ideas that are not originally their own even when paraphrasing. Citation is not only applicable to direct quotes but for all idea
4. All written assignments will be put through Turn-It In software to evaluate the originality of your writing as part of the grading process. The minimum requirement is 70% originality, but that is only for minimum grade as well. Paraphrasing what you read and referencing the source will improve your originality score as opposed to direct quotes all the way through. Per the Bloom's Taxonomy quality requirement applicable to undergraduate level work, you are required to avoid direct quotes and learn to state what you have read in your own words.
5. Adherence to proper grammar, spelling, etc is required for all written work.
6. Please read and digest the attached Blooms Taxonomy of Learning and engage in all course activity at a level applicable to your graduate level of learning. This will apply to class discussions, case study, role play and other activities.



TYPES OF QUESTIONS BASED ON BLOOM'S TAXONOMY

From Bloom, et al., 1956

SYNTHESIS (Grad Level)	EVALUATION (Grad Level)
<ul style="list-style-type: none"> • Creating a unique, original product that may be in verbal form or may be a physical object • Combination of ideas to form a new whole • What would you predict/infer from ...? • What ideas can you add to ...? • How would you create/design a new ...? • What might happen if you combined ...? • What solutions would you suggest for ...? 	<ul style="list-style-type: none"> • Making value decisions about issues • Resolving controversies or differences of opinion • Development of opinions, judgements or decisions • Do you agree that ...? • What do you think about ...? • What is the most important ...? • Place the following in order of priority ... • How would you decide about ...? • What criteria would you use to assess ...?

Student Responsibilities:

- Students are required to read through the assignment grading policies and follow all 6 standard guidelines set forth.
- Please ask any questions during the 1st week of class so that the rules of engagement are established upfront to assure your successful course completion.
- Students must participate in all in class activities without any distractions of texting, IM, etc. Distracted students who negatively impact the learning experience of the class will be asked to leave the classroom and will lose the ability to earn points for the activities scheduled for that class day. No make-up will be offered to students who are disruptive to the learning experience.
- Students who show up and do not engage will not earn any points for class activities. Since learning is an active & participatory engagement showing up alone will not count for minimum points. Points will be earned by active participation.
- Students must come prepared to class.
- Students must be pro-active and communicate in a timely manner using my email address kasthurihenry@hotmail.com



Instructor Responsibilities:



Students can expect me to

- ✓ Create a learning environment that is collaborative and empowering so that you have a safe environment suited for inquiry as well as knowledge acquisition.
- ✓ Adhere to the assignment grading policies explained in this syllabus to insure clarity of expectations.
- ✓ Apply the standard student expectations to everyone with impartiality.
- ✓ Be available via email to assist students and schedule conf. calls when necessary.
- ✓ Respond to emails sent to kasthurihenry@hotmail.com within 24-hours.
- ✓ Be available in person for the students before and after the class contact time.
- ✓ Provide constructive feedback on assignments to promote active learning.
- ✓ Use case study approach to apply the concepts covered in class to provide practical real-world examples and experiences.

POLICY STATEMENTS

Academic Honesty

In keeping with our Christian heritage and commitment, North Park University and the School of Business and Nonprofit Management are committed to the highest possible ethical and moral standards. Just as we will constantly strive to live up to these high standards, we expect our students to do the same. To that end, cheating of any sort will not be tolerated. Students who are discovered cheating are subject to discipline up to and including failure of a course and expulsion.

Our definition of cheating includes but is not limited to:

1. Plagiarism – the use of another’s work as one’s own without giving credit to the individual. This includes using materials from the internet.
2. Copying another’s answers on an examination.
3. Deliberately allowing another to copy one’s answers or work.
4. Signing an attendance roster for another who is not present.

In the special instance of group work, the instructor will make clear his/her expectations with respect to individual vs. collaborative work. A violation of these expectations may be considered cheating as well.

For further information on this subject you may refer to the Academic Dishonesty section of the University’s online catalog.

In conclusion, it is our mission to prepare each student for a life of significance and service. Honesty and ethical behavior are the foundation upon which such lives are built. We therefore expect the highest standards of each student in this regard.

Attendance Policy for Graduate Courses

The graduate courses in the SBNM are all 7 weeks in length. Missing one class session is allowed without penalty as long as all readings and assignments are made up by the student within a reasonable time period (the following week). Failing to log into an online course site for an entire week is allowed, but a penalty may be applied at the instructor’s discretion. Missing a second class session is allowed only in unusual circumstances by prior arrangement with the instructor. Since this represents almost 30% of the engagement time for the course, the student runs the risk of receiving a lower overall grade for the class. Faculty are encouraged to drop the course grade by a full letter grade in this situation. A student who misses three classes (or the equivalent for an online class) will automatically fail the course, unless the student drops the course before the seventh week of class.

Students who drop a course will be held responsible for tuition, based upon the current North Park University policy outlined in the University Catalog (found on the NPU website).

Attendance Policy for Undergraduate Courses

Attendance and participation are vital. Thus, students are expected to attend every class session, and to arrive on time – tardiness is undesirable and disruptive to your fellow classmates. This course has a strict requirement of documented, advance notification. If you are unable to attend any class session, you are to inform me (preferably by email) **prior to** that session. You need to provide a reason for your absence.

Failure to provide advance notification will result in an unexcused absence. Be advised that poor attendance can affect your grade adversely

APA Requirement

The School of Business and Nonprofit Management (SBNM) has adopted the *Publication Manual of the American Psychological Association* (APA) as the standard and required format for all written assignments in SBNM courses.

Our goal in adopting the *APA Manual* is to enhance student learning by:

1. Improving student's writing skills.
2. Standardizing the required format of all written assignments in all SBNM courses.
3. Emphasizing the importance of paper mechanics, grammatical constructs, and the necessity of proper citations.
4. Holding students accountable for high quality written work.

If you are unfamiliar with the requirements of the *APA Manual*, we recommend that you purchase the reference manual and/or that you consult one or more of the suggested resources as listed on the Student Resources section of the SBNM website. ***It is your responsibility to learn and ensure that all written work is formatted according to the standards of the APA Manual.***

Students with Disabilities

Students with disabilities who believe that they may need accommodations in this class are encouraged to contact your program's office (Business: 773-244-6270). Please do so as soon as possible to better ensure that such accommodations are implemented in a timely manner. For further information please review the following website: <http://www.northpark.edu/ada>