

**NATIONAL UNIVERSITY OF SINGAPORE**  
**Faculty of Business Administration**  
**Department of Strategy & Policy**

**BSP 2701 - Macro and International Economics**

**Lecturer:** Visiting Professor Filippo DI MAURO  
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**Session:** Semester 2 2019/2020

**Course Objective & Topics covered:**

This course has two objectives. The first is to introduce BBA students to the basic tools ("core models") of macroeconomics and international economics. The second objective of the course is to link the basic insights of the "core models" to "real life" and case studies, with special focus on Asia as well as Europe. The aim is to show how economic models and tools can be used to analyse macro and financial developments, particularly taking a business perspective.

The course begins with the short run analysis of business cycle dynamics (how output, employment, interest rate and price are determined) and the role of stabilization policy. It then moves to the open economy. Key issues covered here include the balance of payments, the determination of exchange rate in the short- and the long run, the effectiveness of monetary and fiscal policy under high capital mobility, how economic "shocks" are transmitted internationally and what policy can achieve in response. The course will then concentrate on the medium-term, looking at the functioning of labour and product markets, as well the trade-off growth-inflation. Finally, the course will handle the long-run analysis of what drives economic growth.

**Basic References**

Olivier Blanchard, Macroeconomics, 7th Edition (2017), Pearson

**Supplementary Readings**

Most of the basic material included in this course is covered in the textbook. However, a number of case studies and special issues will be handled using additional reading material drawing from a wide range of sources, including:

- Financial press

- Investment bank and fund management research
- International organizations (e.g. IMF, BIS, ADB)

Such reading material will be typically made available in advance on the Module website. Students are encouraged to read and study such additional material – as well as the lecture notes – before each lecture.

## **Assessment**

Being an applied course, students are expected to be able to increasingly use macro thinking/analysis to analyse actual economic episodes. In this regard, they are encouraged to broaden their perspectives by reading the additional material provided and actively engage themselves in the case studies. Class participation is strongly encouraged, and students will be asked to take an active role in the class discussion during the tutorials, via presentations or specific extra assignments to be decided in due course. More specifically, the overall performance will be assessed on:

- Tutorial classes (Assignments and presentations) (30%)
- Online Quiz (20%)
- Final Exam (50%)

## **Calendar**

### Week 1 (Mar. 2 - 6)

- A tour of basic concepts

### Week 2 (Mar. 9 - 13)

- Keynesian multiplier
- IS-LM Model

### Week 3 (Mar. 16 – 20)

- Open Economy

### Week 4 (Mar. 23 - 27)

- Exchange rates
- Mundell-Fleming model

### Week 5 (Mar. 30 – Apr. 3)

- The medium run: Phillips curve
- Revised IS-LM

### Week 6 (Apr. 6 – 10)

- The long run: Savings, capital accumulation and growth