

# BSP2701 GLOBAL ECONOMY

## INSTRUCTOR

Dr. Xu Le

Office: Mochtar Riady Building #06-02

Phone: (65) 6516-7606

Email: [bizxl@nus.edu.sg](mailto:bizxl@nus.edu.sg)

## COURSE DESCRIPTION

This course provides students with an introduction to macroeconomics and international economics. It aims to develop the basic analytical tools to understand the behavior of the economy, both in the short run and in the long run. We will focus on the economic growth, the aggregate behavior of consumers and producers, the dynamics of general prices and unemployment, the effectiveness of fiscal and monetary policies, and exchange rates. We will also apply the analytical framework to the real-world events.

## KEY LEARNING OUTCOMES

On successful completion of the module, students should be able to:

- Explain three approaches of GDP calculations and how growth of the economy is determined and measured.
- Describe business cycles and explained macro-outcomes using AD/AS models.
- Define and calculate unemployment rate and inflation rate, and describe different types of unemployment and inflation.
- Quantify the impact of fiscal policy on GDP of a country with the Keynesian model.
- Define money and money demand curve and its function.
- Explain how the central bank manipulates the supply of money to target the interest rate.
- Explain the impact of monetary policy on macro-outcomes using Keynesian model.
- Explain how international transactions are recorded in balance of payments.
- Explain how the exchange rate is determined in the forex market.
- Explain the influence of fiscal policy and monetary policy on exchange rate system.

## ASSESSMENT

Presentation	10%
Assignment 1	20%
Assignment 2	20%
Final Test	50%

Assignments and Final Test will be digitally administered under Exemplify.  
For more information, please refer to <https://wiki.nus.edu.sg/display/DA/Student>

## TEACHING/LEARNING VEHICLES

### 1. Lecture Notes

The lecture slides will be available on LumiNUS before each class meeting. Students are expected to visit the site regularly, download and preview the lecture slides and the relevant textbook chapters.

### 2. Textbooks

Main:

*Essentials of Economics*, 11th ed., Schiller R. and Gebhardt K., 2019. McGraw-Hill

Supplementary:

*Principles of Macroeconomics*, 7th ed., Frank R., Bernanke B, Antonovics K., and Heffetz O., 2018.

### 3. Optional Readings

Reading materials will be uploaded to a folder on LumiNUS.  
Students are also encouraged to read articles on *The Economist*.

### 4. Tutorials

Tutorials are about presentations and general Q&A.  
Details on tutorial activities will be briefed by the tutors during the first tutorial session.

### 5. Final Test

The final test will be conducted on Week 7.  
It will cover all materials throughout the course.  
Consultation sessions will be arranged during the reading week.

**TENTATIVE SCHEDULE**

	<b>Topics</b>	<b>Tutorial</b>
Week 1	National Income Accounting; AD/AS Models	No Tutorials
Week 2	Fiscal Policies; Keynesian Income/ Expenditure Model	No Tutorials
Week 3	Money; Money Demand and Money Supply; Monetary Policies;	Assignment 1 due and tutorial starts.
Week 4	Economic Growth: Determinants of Productivity	
Week 5	Economic Growth: Saving, Investment, Poverty and Inflation	
Week 6	International Economy; Determinants of Exchange Rate	Assignment 2 due
<b>Reading Week</b>		
Week 7	Final Test	