

COURSE OUTLINE

BSP2701 GLOBAL ECONOMY

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1. COURSE OVERVIEW

This course is designed to introduce students to the fundamental concepts of macroeconomics and international economics, with an aim to enable them to ‘connect the dots’ in the macroeconomy. It also imparts an array of useful analytical tools to interpret and analyze macroeconomic data and trends. The effective use of real-world case studies will be integrated into the topics of the course, to build the global and economic awareness of students, so as to empower them to better understand macroeconomic news and their implications, and to perform sound macroeconomic analysis independently. Topics include national income accounting, balance of payment accounting, the dynamics of the product, money and foreign exchange markets, fiscal and monetary policies, cross-border capital mobility etc.

2. LEARNING OUTCOMES

Upon completion of this course, students will be able to:

- understand and explain the three approaches of national income accounting;
- apply the AD-AS model to derive the short-run and long-run macro equilibria;
- define money and explain the money multiplier process;
- analyze the dynamics of the money and loanable fund markets
- interpret the balance of payment account;
- interpret and analyze the exchange rate trend;
- identify the relationship between savings, investment and current account;
- understand the concepts and implications of productivity and competitiveness;
- apply the IS-LM model to derive the short-run equilibrium following macro shocks;
- explain the impacts of fiscal and monetary policies;
- apply the IS-LM-BP model to derive the macro equilibria under no capital mobility; and
- apply the IS-LM-BP model to derive the macro equilibria under perfect capital mobility.

3. ASSESSMENT

Assessment Categories	Weightage (%)
Assignment 1	25
Assignment 2	25
Final Exam	50
Total	100

4. TEACHING/LEARNING VEHICLES

- **Lectures:** The respective lecture slides will be made available at LumiNUS before each lecture. Students are expected to visit the site regularly and preview the lecture slides (and relevant readings) before coming to class.
- **Tutorials:** Tutorials are about problem set discussions and general Q&A. Details on tutorial activities will be briefed by the tutors during the first tutorial session.
- **Recommended Reading:** Economics, 11th ed., David Begg, Gianluigi Vernasca, Stanley Fischer, Rudiger Dornbusch, McGraw-Hill.
- **Final Exam:** The final exam covers all lecture materials through the course.

5. TENTATIVE SCHEDULE

Week	Lecture Topic	Readings	Tutorial Activities
1	Circular Flow of Income National Income Accounting AD-AS Model	15, 16, 21	No Tutorial
2	Money Multiplier Money Market Loanable Fund Market	18	No Tutorial
3	BOP Accounting Foreign Exchange Market Exchange Rate Systems	24	Assignment 1 Due
4	Open Economy Investment, Savings and Current Account Productivity and Competitiveness	28	
5	IS-LM Model Macro Policies Short-run Equilibrium	20	Assignment 2 Due
6	IS-LM-BP Model NCM versus PCM Long-run Equilibrium	25	
Recess Week			
7	Final Examination		