

BSE3701 Macroeconomic Principles in the Global Economy AY2023/2024 Semester 1

NUS Business School
Department of Strategy and Policy



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1 Course Description

The purpose of this course is to use the tools of modern macroeconomics to assess the economic outcomes of countries and the economic environment faced by global businesses. In this course, we will learn how to build and assess economic models by confronting them with data in our formal exposition of modern macroeconomics.

Most answers to important economic and business questions require an explicit description of how people and companies in the economy act, when facing individual constraints, and the interactions between them. Once we have a robust framework to describe the economic environment, we can construct meaningful forecasts and quantitative predictions in response to a policy change or to a counterfactual experiment. Throughout the course, we will focus on how to use modern macroeconomic tools, leaving us to spend most of our class time on applications.

These tools are essential for decision-makers and global companies to effectively navigate in an increasingly volatile global landscape. The course will examine real-world applications to provide business insights using modern macroeconomics.

2 Learning Outcomes

The goal of the course is to provide a clear framework to think of aggregate macroeconomic variables and how these variables, in turn, affect business decisions. At the end of the course, the student should be able to

1. critically assess economic forces in explaining facts.
2. understand articles from the Economist, WSJ, or other business magazine and assess the validity of their explanation.

3 Class Meetings: TBC

4 Office Hours

Please feel free to discuss course-related problems with me or with the TA during regular office hours. **You are strongly advised to discuss your difficulties before they become too serious.** To take full advantage of our meeting, please have your questions prepared.

In addition to our regular consultation hours, I will on occasion have a **sign-up sheet** that you can use to schedule an appointment for **extra office hours**.

5 Lectures Notes

I will post the lecture presentations for this class a day or two before each lecture. But these are not self-contained slides and are not substitutes for class participation. It is a roadmap of our lecture rather than a comprehensive manual.

6 Means of communication

Email is the most efficient way to reach me. **Please include the course number in the subject line [BSE3701], followed by a brief phrase summarizing the subject of your message.** I usually respond within 24 hours (with the exception of weekends). If you don't hear back from me by then, please do not hesitate to resend me an email.

Email does not work well for explaining lengthy concepts or graphs. If you do not understand a particular concept, it is probably better to see me or the T.A. in person. Finally, before emailing a question, see if your question can first be answered by looking at the syllabus, the LumiNus website, recent email announcements, or by asking a classmate. For example: "Is there homework due?" or "When is the assignment due?" are good examples of this redundancy.

7 Textbooks

There is no textbook assigned for the course. If you wish to consult a textbook for reference, the following textbooks can be quite useful:

- Stephen D Williamson and Fourth and Edition. Macroeconomic, volume 440. Wesley, Pearson Addison, 2013
- N Gregory Mankiw. Macroeconomics 10th ed, 2018
- Charles I Jones. Macroeconomics,. WW Norton & Company, 2013

8 Tentative Course Schedule

Week	Topics	Readings (Optional)
1	Review, Preliminaries Introduction to Modern Macroeconomics	S.Williamson. C1
2	Measurement and Macroeconomic Data	S.W. C2 and 3
3	Economic Growth The Solow Growth Model	S.W. C6
4	Income Differences Across Nations Case Study (I)	S.W. C7
5	A Simple Model of the Macroeconomy	S.W. C4
6	Midterm Review Case Study (II) Midterm Assignment	
Recess Week		
7	A Simple Model of the Macroeconomy - continuation	
8	Income Fluctuation, Savings and Fiscal Policy	S.W. C8
9	Fiscal Policies - Continuation	
10	Interest Rates Case Study (III):	
11	Exchange-Rate Fluctuations Monetary Policy	
12	Exchange-Rate Regimes Case Study (IV):	SW C15
13	Wrap-up Final Assignment	
Reading Week		

9 Prerequisites

Algebra and introduction to microeconomics and macroeconomics (BSP1005 or EC1301 or BSP1707, BSP2701). During class, I will explain in detail the mathematical and statistical tools that we will be using.

Some experience in Excel is also helpful. Part of our problem sets contains basic data questions. If you don't have Microsoft Excel, close substitutes are available: Open Office or Google Docs.

10 Requirements and Grading:

10.1 Group Assignment

1. I will give 2 group assignments during the course.

2. **No late group assignment will be accepted.**
3. **Group work policy:** For group works assignments, you can and should work collaboratively with your partners, but you may not discuss your work with members of other groups.
4. **All of your answers should be typed and submitted via LumiNus, including graphs and algebra. Work that is not typed gets an automatic penalty of 25% of the total grade.**
5. **Problem sets are team-based (group of min 5 - max 6). All the team members are expected to work cooperatively as a group. I just need one copy per group.**
 Learning how to work in a group effectively is crucial for your success in life.
 Make sure you do your work and contribute to your team. If there are any issues with your team in terms of collaboration, address them early on before it becomes too late. I'd prefer that you attempt to solve it on your before coming to me as the final recourse.
6. **Nearly identical works will be considered as plagiarism and an automatic zero will be assigned for that assignment.**
7. On occasion, I will post some of the questions received on the course website (with my answers). Student identifiers will not be included if I post them. This way, I hope that information can be disseminated to a broader audience.

10.2 Individual Assignments

1. Midterm Assignment: **week 6**
2. Final Assignment: **week 13**
3. Qualified students with disabilities who anticipate needing any type of accommodation in this course should notify the instructor by the third week of class.

11 Grading Policy and Grading Scale

The following table gives the composition of the final scores:

Activities	Percentage of final grade
Group Assignment	20%
Individual Quiz	20%
Class Participation	10%
Midterm Individual Assignment	25%
Final Individual Assignment	25%

PROCEDURES AND POLICIES

STATEMENT OF ACADEMIC INTEGRITY:

The University is committed to nurturing an environment conducive for the exchange of ideas, advancement of knowledge and intellectual development. Academic honesty and integrity are essential conditions for the pursuit and acquisition of knowledge, and the University expects each student to maintain and uphold the highest standards of integrity and academic honesty at all times.

The University takes a strict view of cheating in any form, deceptive fabrication, plagiarism and violation of intellectual property and copyright laws. Any student who is found to have engaged in such misconduct will be subject to disciplinary action by the University.

It is important to note that all students share the responsibility of protecting the academic standards and reputation of the University. This responsibility can extend beyond each student's own conduct, and can include reporting incidents of suspected academic dishonesty through the appropriate channels. Students who have reasonable grounds to suspect academic dishonesty should raise their concerns directly to the relevant Head of Department, Dean of Faculty, Registrar, Vice Provost or Provost.

For further information, see <http://www.nus.edu.sg/osa/resources/code-of-student-conduct>.