

BSP2701 GLOBAL ECONOMY

INSTRUCTOR

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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 and the long run. We will focus on economic growth, the aggregate behavior of consumers and producers, the dynamics of general prices and unemployment, the effectiveness of fiscal and monetary policies, as well as exchange rates. We will also apply the analytical framework to real-world events.

KEY LEARNING OUTCOMES

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

- Explain three approaches of GDP calculations and economic growth is determined and measured.
- Describe business cycles and explained macro-outcomes using AD/AS models.
- Define and calculate the unemployment rate and inflation rate, and describe different measures of unemployment and inflation.
- Quantify fiscal policy's impact on a country's GDP 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 macroeconomic outcomes using Keynesian model.
- Explain how international transactions are recorded in the balance of payments.
- Explain how the exchange rate is determined in the forex market.
- Explain the influence of fiscal policy and monetary policy on the exchange rate system.

ASSESSMENT

Assignment 1	25%
Assignment 2	25%
Final Exam	50%

Assignments and Final Test will be digitally administered under Examplify.

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 Canvas before each class meeting. Students are expected to visit the site regularly, and 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 Canvas.

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

	Topics	Tutorial
Week 1	Measuring Economic Activity: GDP and Unemployment, Price Level and Inflation	No Tutorials
Week 2	Economic Growth and Development	No Tutorials
Week 3	Financial Markets and the Economy	Assignment 1 due and tutorial starts.
Week 4	Money, Prices and Role of Monetary Policy	
Week 5	Business Cycles Fluctuations and Role of the Government	
Week 6	International Trade	Assignment 2 due
Reading Week		
Week 7	Final Test	