Columbia Business School
B6005: The Global Economic Environment I
Spring 2013

Saki Bigio

Uris Hall, Room 814

212-854-0174

Office Hours: Thursdays 7pm to 9pm

(Latest update: 10/24/2012)

General Course Information

Course Description

Economics is the "Lingua Franca" of business. This is a course in applied macroeconomics. Its goal is to develop a solid understanding of the external, economy-wide factors that affect the performance and management of firms in today's global economy. Some of the questions that we examine include: Why are some countries doing so much better than others? What leads to persistent inflation and how can hyperinflation arise? What are the causes and consequences of global imbalances? What determines exchange rates? What causes business cycles and what is the role of monetary policy?

To address these questions, we develop a conceptual framework that allows us to understand the various interactions between key macroeconomic variables such as real output, economic growth, unemployment, inflation, interest rates, exchange rates, and the current account balance.

Since an important goal of this course is for students to become informed and sophisticated consumers of economic news, the issues discussed in this course draw heavily from current events and real-world examples.

Course Objectives

To acquire a solid theoretical and applied understanding of the macroeconomy and the economic environment in which firms operate. To develop a critical and sophisticated view of economic policy questions.


Teaching Assistants

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Course Materials

Recommended Reading: Sections I and II in Macroeconomics, 7th Edition, by Andrew Abel, Ben Bernanke, and Dean Croushore, Addison-Wesley
Note: This book is also used in Global Economic Environment II.

Handouts: Various handouts will be distributed throughout the semester to supplement the material covered in the book. These include class notes, supplemental readings and newspaper articles.

In addition, you are encouraged to read the economics pages of at least one of the following publications on a regular basis:
The Economist
The Wall Street Journal
The Financial Times
The New York Times

Course Requirements and Grading

Lectures
There will be 12 classes.

Friday Review Sessions
Time: 12:30 - 02:00
Location: Uris 142
During these sessions, the TAs will review key concepts seen in class and go over some of the homework problems. They will also be available to answer your questions.
I will personally hold the last review sessions just before the final exam, which will constitute an overall review of the material covered in the course.

Student debates
Over the course of the term, two student groups will analyze a topic related to the course. They will take a pro or cons position with respect to the topic under debate. There will be a 20 minute debate in class, during which each group will present its position in 5 minutes, followed by a 10 minute class discussion. The students have been assigned to groups. The schedule, groups, list of topics, as well as background material and guidelines for
the preparation of the presentation can be found here.

Cases
There are three case assignments, which consists of questions to be written up and handed in as well as questions to be prepared for general class discussion. These will be done in groups of up to five students (usually your study group). Only one write-up per group needs to be handed in at the beginning of the lecture. Late cases will not be accepted. All group members should be prepared to discuss the answers in class.

Problem sets
With the goal of providing you with a better understanding and a greater appreciation of the concepts and tools covered in this course, I will assign one problem set. This will constitute a useful preparation for the exam. It will be collected in class on the date indicated and answers will be posted soon after. You may consult with your classmates for this problem set, but each student should hand in his or her own independently written answers (assignment type B). No answer to the problem set should be exchanged physically or electronically. Late problem sets will not be accepted.

Exam
There will a final examination. The date and room of the final exam are to be announced. All exams will be closed book. However one double-sided (8 1/2"-11") "cheat-sheet" will be allowed. This "cheat sheet" may contain any notes you choose to write on them. The final exam will not be returned, but will be available for reviewing after the end of the semester.

Regrade policy: All requests for fixing grading errors must be submitted to me in writing within one week after the grades are posted, and must be very specific. If you ask us to fix a grading error, we have the option to regrade your entire exam.

Grading

- Exam: 50%
- Problem set: 10%
- Cases: 20%
- Student debates: 10%
- Class participation: 10%