

The Global Economy
ECON 2100 - 03 (CRN 50439)
10:55am – 1:25pm MW
531 LANGDALE
Summer 2018

Instructor: Glenwood Ross

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Office Hours: M - 2:30pm-4:30pm; or by appointment

Course Description

The world's economies have become much more integrated over time. This course is designed to introduce students to basic facts about the operation of the world economy, with particular focus on current issues confronting economies of various countries. The course will discuss the role of international organizations such as the World Bank and the International Monetary Fund, and will focus on major challenges facing policy makers, such as global income inequality, financial crises, environmental challenges, the transition to a market economy, and currency unions.

It should be noted, however, that this course is designed for the economics novice. As such, much time will be spent investigating some basic economic tools and terminology before moving on to discussions concerning the global economy.

Course Objectives

The student should be able to:

1. Understand and Apply the concepts of Supply and Demand
2. Define the concepts of resources and wants, and relate them to Scarcity and Opportunity Costs.
3. Identify the Production Possibility Curve and to use it to measure opportunity costs.
4. Understand and describe the concepts and measurement of gross domestic product, unemployment, and inflation.
5. Understand and describe the concepts of Absolute Advantage and Comparative Advantage.
6. Understand and describe the concepts of balance of payments and its components, as well as the determinants of exchange rates.
7. Identify the benefits and costs of free trade.
8. Define globalization and understand its history.
9. Understand the roles of international trading arrangements (e.g., the North American Free Trade Act, the General Agreement on Tariffs and Trade), and the functions of international organizations (e.g., the International Monetary Fund, the World Bank, the World Trade Organization).
10. Define and identify the components of capital flows and the determinants of capital flows to different world regions.

Text/Materials

The Global Economy, 2nd Edition, by Paul Kagundu and Glenwood Ross, will be our primary textbook. Additional readings (when necessary) will be made available via *iCollege* (*iCollege.gsu.edu*). A calculator is recommended. Access to a computer and the internet is required. On *iCollege*, I will post assignment information, supplementary readings, etc. You can also use the system to check your grades. You are responsible for checking *iCollege* regularly.

Grade Distribution

Homework: 25 percent

Top 4 of 5 will count towards grade. Homework is due at the beginning of the class period. Late homework will not be accepted.

Examinations: 75 percent

Exam 1	25 percent
Exam 2	25 percent
Final Exam	<u>25 percent</u>
	75 percent

No Make-Ups:

No make-up exams will be given. The final exam grade will substitute for one exam grade that is lower or for one missing exam grade

No incompletes will be given.

Grade Scale

Letter Grade	Numeric Grade	GPA Quality Points
A+	96 - 100	4.3
A	93 - 95	4.0
A-	90 - 92	3.7
B+	87 - 89	3.3
B	83 - 86	3.0
B-	80 - 82	2.7
C+	77 - 79	2.3
C	73 - 76	2.0
C-	70 - 72	1.7
D	60 - 69	1.0
F	<60	0.0

Extra Credit

No extra credit projects are available under any circumstances.

Bring your own calculator to exams. **Cell phone calculators cannot be used on exams.**

Attendance Policy

Attendance will only be taken to verify course enrollment, and will not directly affect your grade. Most importantly, I encourage you to attend class because research has shown that students who attend class learn more and earn better grades than those who do not.

If you do miss a class, it is your responsibility to find out what you missed, including new assignments, etc.

Policy on Academic Honesty

All students are responsible for knowing and adhering to GSU's Policy on Academic Honesty¹ as published in On Campus: The Undergraduate Co-Curricular Affairs Handbook. An incident of academic dishonesty (cheating on a test, plagiarizing, etc.) will result in an automatic **F** for the course.

Disruptive Student Conduct

All forms of disruptive behavior should be avoided. Disruptive student behavior as defined by the Student Code of Conduct includes but is not limited to: "verbal or physical threats, repeated obscenities, unreasonable interference with class discussion, making/receiving personal phone calls, text messages or pages during class, excessive tardiness, leaving and entering class frequently in the absence of notice to instructor of illness or other extenuating circumstances, and persisting in disruptive personal conversations with other class members." **Please ensure that all**

¹ See http://www2.gsu.edu/~wwwdos/codeofconduct_conpol.html

potentially noise-making equipment (cellular phones, pagers, laptop computers, etc.) are turned off during lectures. Furthermore, be sure to get to class on time. Entering class during the lecture is disruptive to the instructor and to the students.

Refer to Georgia State University policy on disruptive student conduct (under the Georgia State University Student Code of Conduct and Policies).²

² See http://www2.gsu.edu/~wwwdos/codeofconduct_adminpol_a.html.

Class Schedule--Econ 2100

NOTE: Some deviation from the schedule may be necessary. If so, they will be announced in class.

Week One

June 04: **Class Orientation**

June 06: **Chapter 1: Introduction: Key Concepts and Principles in Economics**
Economics Defined, Marginalism and Opportunity Cost, The Role of Incentives, The Scope of Economics, Positive and Normative Economics, Pitfalls and Hazards, Why Study Economics?, Why Study the Global Economy?

Chapter 2: Supply and Demand
Markets, Demand, Individual Demand versus Market Demand, Demand-Side Shift Factors, Supply, Firm Supply versus Market Supply, Supply-Side Shift Factors, Supply and Demand together, Consumer and Producer Surplus, Making Predictions Using Supply and Demand

Week Two

June 11: **Homework #1 is Due by 10AM on iCollege**

Chapter 2: Supply and Demand (Continued)
Markets, Demand, Individual Demand versus Market Demand, Demand-Side Shift Factors, Supply, Firm Supply versus Market Supply, Supply-Side Shift Factors, Supply and Demand together, Consumer and Producer Surplus, Making Predictions Using Supply and Demand

June 13: **Chapter 3: Gross Domestic Product: A measure of Economic Output**
Gross Domestic Product, Market Value, Final Goods and Services, GDP versus GNP, Measuring GDP, International Comparison of GDP, GDP per Capita
Real versus Nominal GDP, GDP Deflator

Week Three

June 18: **Homework #2 is Due by 10AM on iCollege**

Chapter 3: Gross Domestic Product: A measure of Economic Output (Continued)
Gross Domestic Product, Market Value, Final Goods and Services, GDP versus GNP, Measuring GDP, International Comparison of GDP, GDP per Capita
Real versus Nominal GDP, GDP Deflator

Review

June 20: **EXAM 1**

Week Four

June 25: **Chapter 4: Measuring the Cost of Living: Inflation**
Price Indexes, Calculating the Rate of Inflation

Chapter 5: Production Possibilities and the Rationale for Trade
Production Possibilities, Opportunity Cost and the PPF, Efficiency and the PPF, Economic Growth, Sources of Economic Growth, Absolute Advantage, Comparative Advantage and Trade

June 27: **Chapter 5: Production Possibilities and the Rationale for Trade (Continued)**
Production Possibilities, Opportunity Cost and the PPF, Efficiency and the PPF, Economic Growth, Sources of Economic Growth, Absolute Advantage, Comparative Advantage and Trade

Week Five

July 02: **Homework #3 is Due by 10AM on iCollege**

Chapter 5: Production Possibilities and the Rationale for Trade
Production Possibilities, Opportunity Cost and the PPF, Efficiency and the PPF, Economic Growth, Sources of Economic Growth, Absolute Advantage, Comparative Advantage and Trade

July 04: **NO CLASS**

Week Six

July 09: **Homework #4 is Due by 10AM on iCollege**

Chapter 6: Globalization: Definition and Measures
D2L Readings: *“Broadening the Debate: The Pros and Cons of Globalization”*
Pros and Cons of Globalization

Review

July 11: **EXAM 2**

Week Seven

July 16: **NO CLASS**

July 18: **Chapter 8: Global Trade in Goods and Services**
Trade in the Global Economy, the Biggest Traders, Bilateral Trade of the United States, Who Trades with Whom?, Changing Patterns and Composition of Trade

Chapter 9: Regulating International Trade (Continued)
Import Tariffs, Effects of an Import Tariff, Costs and Benefits of Import Tariffs, Nontariff Trade Regulations, Import Quotas, VERs, Export Subsidies, Local Content Requirements

July 23: **Homework #5 is Due by 10AM on iCollege**

Chapter 9: Regulating International Trade (Continued)
Import Tariffs, Effects of an Import Tariff, Costs and Benefits of Import Tariffs, Nontariff Trade Regulations, Import Quotas, VERs, Export Subsidies, Local Content Requirements

Chapter 12: Foreign Exchange Markets and Exchange Rates
Exchange Rates, Exchange Rate Determination, Cross Exchange Rates, Purchasing Power Parity and Exchange Rates, Effective Exchange Rates, Exchange Rate Systems

Review

TEST 3--COMPREHENSIVE FINAL EXAM

Wednesday, July 25th

10:45AM

Notes

1. This course syllabus provides a general plan for the course; deviations may be necessary.
2. Georgia State University complies with Section 504 of the Rehabilitation Act and the Americans with Disabilities Act. Students with disabilities who seek academic accommodations must first take appropriate documentation to the Office of Disability Services located in Suite 230 of the new Student Center.
3. If you require special accommodations for exams (e.g., "time and a half"), you must provide documentation from GSU Disability Services³ and make arrangements with me at least two days before the first exam.
4. Incompletes will only be given to students who are passing the course, and even then, only in very special circumstances. In the case where an incomplete is awarded, it must be removed

³ See <http://www2.gsu.edu/~wwwoods/>

by the end of the next term that the student is enrolled (and within two terms regardless of whether or not the student is enrolled) or it will automatically turn into an F.

5. Students who withdraw after the midpoint of each term will not be eligible for a "W" except in cases of hardship. A student who withdraws after the midpoint of the term is assigned a grade of "WF," except in those cases in which (1) hardship status is determined by the Office of the Dean of Students⁴ because of emergency employment, or health reasons, and (2) the student is doing passing work, as determined by the student's instructor(s).
6. Effective Fall 2001, all instructors must, on a date after the mid-point of the course (to be set by the Provost) give a WF to all those students who are on their rolls, but no longer taking the class and report the last day the student attended or turned in an assignment. If you plan to drop the class, let me know.
7. **July 1st is the last day to withdraw and possibly receive a "W".**

⁴ See <http://www.gsu.edu/~wwwdos/>