

**UNIVERSIDAD DEL SAGRADO CORAZÓN**  
**BUSINESS ADMINISTRATION DEPARTMENT**  
**POSTGRADUATE PROGRAM**

**SYLLABUS**

**COURSE TITLE:** Global Economics

**COURSE NUMBER:** ECO 615

**CREDITS:** Three (3) credits, three (3) hours per week, one (1) semester

**DESCRIPTION**

Beginning with a review of essential concepts in economics, this course focuses on the international and cross-cultural nature of contemporary economic phenomena. Emphasis is on macroeconomics, rather than microeconomics. Theoretical concepts are applied to specific cases, such as economic relationships between the different international trading blocks, government policies for international trade and firms operating internationally.

**JUSTIFICATION**

Given the evolving of studies in global and political economies, it is necessary a new approach for understanding the forces that have created global connections between and among different groups of people and regions of the world, and how these global connections in turn shape domestic economic and political policies.

The emphasis of the course is interdisciplinary and thematic, with special attention to cultural, economic, political, and social inequality among the different regions and countries.

**OBJECTIVES**

By the end of the course, the student is able to:

1. Develop an understanding of the positive and negative impacts of government policies and foreign exchange rates on the growing globalization of flows of goods, people, money and technologies.
2. Develop a basic understanding of theories that explain why nations and business firms trade across international borders and why firms engage in foreign direct investment and international contractual relationships.
3. Gain a basic understanding of the roles of intergovernmental cooperative efforts as well as international organizations such as the International Monetary Fund, the World Bank

and the World Trade Organization as they relate to the stabilization and growth of the global economy.

4. Develop the ability to discuss current issues facing the global economy such as alternative methods used to minimize negative impacts of foreign exchange fluctuations, the role of governments in easing the financial pain and uncertainty caused by currency crises and the global recession. Prospects and problems facing regional economic integration groupings, micro and macro impacts of alternative private sector modes of entering international markets, and economic growth concerns facing developing and emerging market countries.

## **COURSE OUTLINE**

- I. Introduction.
  - A. An Overview of Macroeconomics: The Approach to Macroeconomics.
  - B. Microeconomics Foundations of Macroeconomics.
  - C. The Market-Clearing Model.
  - D. Elements of National-Income Accounting.
- II. Economic Globalization; Theoretical Foundations; Impacts of Legal/Political Constraints.
  - A. Historical evolution of economic globalization.
  - B. Pros and cons of globalization to its stakeholders (public and private sector participants).
  - C. Globalization and Economic Policy.
- III. Theories of International Trade and Investment.
  - A. Protectionism. Economic Cost of Protectionism.
  - B. Classical and contemporary theories of comparative versus competitive advantage.
  - C. The underlying determinants of international trade and direct investment flow.
  - D. Outsourcing, the WTO, and the Environment.
- IV. Trade policy and other forms of government intervention in international trade and direct investment.
  - A. Restrictions on trade: tariffs, quotas and other non-tariff barriers.
  - B. Political and legal constraints facing direct investors, country risk assessment.
  - C. The Impact of Trade Policy.
- V. International Monetary Exchange Concepts: Balance of payments and foreign exchange markets.
  - A. Balance of payments, exchange rate determination and volatility.
  - B. Spot market versus hedging alternatives.

- C. The Foreign Exchange Market.
- VI. Current Issues in Global Economics: Macro international financial issues.
  - A. The Global Economics and Financial Crisis (2007-2013).
  - B. Financial Debt and Risk: relationship among global financial. Financial Crisis and Capital Flows.
  - C. Roles of the International Monetary Fund: central banks and private sector banks.
  - D. Does foreign Direct Investment Help Emerging Economics?
- VII. Regional Integration and Regional Trading Blocs.
  - A. Integration and Globalization: The Euro: Ever more Global.
  - B. The European Union: Future of economic integration. Prospects for continuing regional economic integration in other world regions (NAFTA and others).
- VIII. International Economic Opportunities and Risks for Less Developed and Emerging Market.
  - A. International economic issues facing less developed (bottom of the pyramid) and emerging market countries.
  - B. Sources of development assistance (foreign aid, foreign direct investment, taxation, and economic incentives. LDC's Debts and consequences of forgiving it.
  - C. Migration and the Future of Global Movements of People.
  - D. Outlook for the Global Economy in light of the current economic events.

## INSTRUCTIONAL STRATEGIES

Discussion of topics in the classroom  
 Cases and quizzes  
 Final project  
 Guest speakers

## EVALUATION

Readings assignment and short quizzes	10%
Case 1	25%
Case 2	25%
Final Paper	<u>40%</u>
<b>Total</b>	<b>100%</b>

## REQUIRED BOOKS

King, Phillip and King, Sharmila. (2009). *International Economics, Globalization, And Policy: A Reader* (5<sup>th</sup> ed.). McGraw Hill Company.

## REFERENCES

Stutz, F. P and Warf, B. (2012). *The World Economy: Geography, Business, Development* (6<sup>th</sup> Ed.). Pearson, Prentice Hall.

Appleyard, Dennis R , Field, Alfred J. and Cobb, Steven. (2011). *International Economics* (7<sup>th</sup> Ed.). McGraw Hill, Company.

Jones, Charles I. (2011). *Macroeconomics* (2<sup>nd</sup> Ed.). W. W. Norton.

Payne, Richard J. (2010). *Global Issues: Politics, Economics, and Culture* (3<sup>rd</sup> Ed.). Boston: Longman.

Eichengreen, Barry (2008). *Globalizing Capital: A History of the International Monetary System* (2<sup>nd</sup> Ed.). Princeton University Press, Princeton and Oxford.

Findlay, Ronald and O'Rourke, Kevin H. (2007). *Power and Plenty: Trade, War, and the World Economy in the Second Millennium* (2<sup>nd</sup> Ed.). Princeton University Press, Oxford.

Irrizarry Mora, Edwin (2007). *Economía de Puerto Rico: Evolución y Perspectivas* (2nd Ed.). Thomson-learning

Tugores, Juan (2006). *Economía Internacional, Globalización e Integración Regional*. McGraw Hill, Company.

Singer, Peter (2002). *One World: The Ethics of Globalization* (2<sup>nd</sup> Ed.). Yale University Press, New Haven and London.

Salvatore, Dominick (1995). *Scham's Outline of International Economics* (4rd Ed.). McGraw Hill, Company.

## ONLINE RESOURCES

Madre María Teresa Guevara Library; <http://biblioteca.sagrado.edu/>,

Economic Report of the President; <http://www.gpoaccess.gov/eop/>

First Union's Economic Information; <http://firstunion.com/econonews/>

World economic Outlook( International Monetary Fund);

<http://www.imf.org/external/pubs/ft/weo/weo0598/index.htm>

Business Week Daily Briefing; <http://www.businessweek.com/today.htm>

Morgan Stanley Global Economic Forum; <http://www.morganstanley.com/gef/>

<http://web.worldbank.org>

<http://federalreserve.gov>

<http://bancomundial.org>

The electronic databases to which the Biblioteca Madre María Teresa Guevara subscribes directly and through COBIMET Consortium, includes books, documents, magazine and newspaper articles, and other information resources related to course topics.

To use the database, follow these steps:

To access from the library:

- Type the address <http://biblioteca.sagrado.edu/>
- Select Biblioteca Virtual link, and a page will appear in which you can start making your search for information and access databases

For off campus access, or using personal computers:

- Type the address <https://portal.sagrado.edu>
- type your username and password,
- locate and select the Biblioteca Virtual icon, and a page will appear where you can start making your search for information, and access databases

## **READINGS LIST**

1. Students are required to read the business section of major newspaper – preferably The Wall Street Journal, The Financial Times, and The Economist- in order to stay informed of developments in the world economy.
2. A comprehensive reading list of current global articles will be given at the beginning of class

## **REASONABLE ACCOMMODATION**

Students who need special assistance or auxiliary services shall apply to the Associate Dean of Student Affairs at the beginning of the course or as soon as acquiring knowledge thereof, but not later than the third week of classes.

## **ACADEMIC HONESTY, CHEATING AND PLAGIARISM**

Any student who fails to follow the dishonesty, fraud and plagiarism policy is exposed to the following sanctions: receive grade of zero on the assessment and / or rework on the course, note F (\*) in the course: suspension or expulsion as defined in the document Academic Honesty Policy, number: 205-001 DAEE dated effective August 2005.

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