

**ECON 317**  
**Global Economic Policies**

Course Number:	ECON-317- 0101	TTH 2:00 -3:15 PM	TYD 1132
	ECON -317-0201	TTH 5:00-6:15 PM	TYD 0111

Instructor: Naveen Sarna, Ph. D (Economics)  
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Office: 1106 D Morrill Hall, (301) 405-3671  
Office Hours: Tuesday and Thursday, 12:30PM -1:45 PM and by appointment

Class TA: Thomas George

First Class: Tuesday, January 26, 2016  
Last Class: Tuesday, May 10, 2016  
Spring Break: March 13-20, 2016  
Final Exam: May 12 -18, 2016

Course Description

The course would provide an overview of global economic development from a policy-oriented perspective. The main objective is to analyze current policy debates surrounding economic growth and development from a broad analytical base. Readings and discussions will focus on a number of key areas: understanding the nations economic conditions; analyzing the real loanable funds markets in both local and international context, examining the interrelationships among significant macroeconomic variables, exploring the design of trade and industrial policies; understanding and quantifying international lending and causes of financial crises; comparing and contrasting government policies towards foreign exchange market; examining the role of the World Bank, IMF, WTO, and other international agencies; and analyzing regional and bilateral trade agreements. The vast majority of in-class examples will deal with the workable economic policies being followed in the global economy, with an emphasis on “emerging economies” such as Brazil, Russia, India, South Africa and China.

What You Will Learn

The course objectives are to increase your understanding of current economic events and issues in the world, to relate this understanding to policy making and business practices, and to improve your analytical thinking and problem solving skills. I will use theory and evidence applied to real world economic situations. Most importantly, I hope you will learn two things: (1) How to frame and formulate current macroeconomic issues, discern the relevant facts that are applied to their analysis, distinguish ideology from evidence, and decide what a reasonable policy stance on the issue is; and (2) Relate the debate about the macroeconomic issue and the policy outcomes that might flow from it to the operations and strategy for the economy.

Course Materials

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Required Textbook: *Global Economy – Demystifying International Macroeconomics* (2 ed.) 2014, Jhon E. Marthinsen, South-Western, Cengage Learning.

Recommended Textbook: *Macroeconomics* (2012), N. Gregory Mankiw, 11<sup>th</sup> Edition, Worth Publishers.

Instructor's Power point presentations – would be made available on the class Blackboard

Relevant articles and economic papers – would be made available on the class Blackboard

Please also read the economics/financial press, including the *Economist*, *Financial Times*, and *Wall Street Journal*. We will be reviewing and discussing the current economic information before each class.

### Course Website

If you are registered for this course, you can use your directory ID and password to access [www.elms.umd.edu](http://www.elms.umd.edu). Copies of this syllabus, lecture notes, and other relevant documents will all be made available through the course website. I will use the BB to inform you of important announcements. Please note that failure to check the course website will not excuse a student from missing announcements.

### Course Requirements and Grades

Economic Policy Research Presentation/Report (teams of up to 4 students) 20 percent

Class Participation 10 percent

#### **Major scheduled grading events are:**

Exam 1 20 percent

Exam 2 20 percent

Final Exam 30 percent

Grading Policy: 90% of the total possible points and above will earn an A; 80 – 89.99% yields a B; 70 – 79.99% a C, 60 – 69.99% will earn a D; and less than 60% will earn a F. I will add a plus sign to total scores above x7.5%; for example, 88.3% would get a B+. I will add a negative sign to grades between below x2.5%; for example, 71.5% would get a C-. Any issues with your grade should be raised as soon as you receive your grade.

The research report write-up, one paper per team, is to be discussed in teams and is to be a maximum of 5,000 words. The report, however, is to be presented to class by all team members. You may select an policy issue from a list I supply (available on the class BB) or an issue not on the list that you formulate and I approve. In your classroom presentation/discussion, try to be comprehensive and coherent (not fragmented or partial), and clear and compelling (not vague or weak). In your paper, write as if your readers were policy makers and from which decisions will be made. Present a professionally attractive paper. Write skillfully and correctly. Grading criteria for case study include correct use of theory and evidence, logical order and consistency, usefulness to policy makers, and quality of writing.

The class exams will have multiple- choice questions, closed book and may contain short answer question section. The final exam will be comprehensive, closed book and given in-class.

### What the Course Is Like

Economics is rich in theory and methods. That is good news; it helps us to solve problems. In each class we begin with a look at a current issue that is in the news. Then we either work on the essentials of the economic

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theory for the topic of the class, or we apply what we know to gain insight into a macroeconomic problem or issue. We are completely dedicated to solving real economic problems facing the global economies. With your help it will be interactive and lively.

Please note ...

Students are expected to treat each other with respect. Disruptive behavior of any kind will not be tolerated. Students who are unable to demonstrate civility with one another, the teaching assistants, or me will be subject to referral to the Office of Student Conduct or to the University Campus Police. You are expected to adhere to the Code of Student Conduct.

Medical Excuses: In my class, you (student) or a guardian must email me PRIOR to class to inform me that you will not be in attendance due to illness or injury thus will miss the class participation/homework/exam/paper deadline. On the very next class session that you are in attendance, you must present me with a self-signed note for missing one single lecture. This note must include the date of illness and a statement that the information you have provided is true. You must also state that if your absence is found to be false, you understand that you will be referred to the Office of Student Conduct. The statement must be signed and dated. Do understand that only one self-signed note for one absence will be allowed. For non-consecutive absences or a major assignment/exam, I will require a Health Center or medical doctor's health excuse. If you do not inform me or if you do not present me with timely documentation, 0 points will be given to you for exam/paper.

Students claiming excused absence must apply in writing and furnish documentary support for their assertion that absence resulted from one of these causes.

University Emergency Closing: In the event that the University is closed for an emergency or extended period of time, I will communicate to you via email or via class BB to indicate schedule adjustments, including rescheduling of examinations and assignments due to inclement weather and campus emergencies. Official closures and delays are announced on the campus website <http://www.umd.edu>. The snow phone line is 301-405-SNOW, as well as local radio and TV stations.

Course Evaluations: The teaching staff looks forward to receiving your feedback on the course, both during and at the end of the semester. I take your course evaluation very seriously. Each year I revise my syllabus, course assignments and exam questions based on the feedback I receive on the course evaluation. I am not only interested in the scores that you give this class but I am also very interested in the specific comments you have about this course. I want to encourage each student in this class to evaluate not only my class but all of your classes. One important campus-wide evaluation is the online evaluation at the end of the semester. CourseEvalUM will be open to students to complete their evaluation for Fall 2015 courses in late November, 2015. Students can go directly to the website ([www.courseevalum.umd.edu](http://www.courseevalum.umd.edu)) to complete their evaluations.

I will make every effort to accommodate students who are registered with the Disability Support Service (DSS) Office and who provide me with a University of Maryland DSS Accommodation form which has been updated for this semester. Only written DSS documentation of the accommodation will be considered. This form must be presented to me no later than February 15, 2016. I am not able to accommodate students who are not registered with DSS or who provide me with documentation which has not been reviewed and approved by UM's DSS Office after this date.

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The University of Maryland has a nationally recognized Code of Academic Integrity, administered by the Student Honor Council. This Code sets standards applicable to all undergraduate students, and you are responsible for upholding these standards as you complete assignments and take exams in this course. Please make yourself aware of the consequences of cheating, fabrication, facilitation, and plagiarism. For more information see [www.studenthonorcouncil.umd.edu](http://www.studenthonorcouncil.umd.edu). If I observe what I believe is a violation of the Code of Academic Integrity, I will refer any and all students involved to the Student Honor Council.

**Technology Use in Class:** In this class, students may bring their laptop computer to class to take notes only. If a student is found to be using a laptop for any other reason than taking notes, then, that student will lose the privilege of bringing his/her computer to class. All technological devices, except a lap top computer are prohibited in this class including MP3 devices, smart phones, phones,, gaming devices, etc. If these devices are seen and/or used during the class, the student will be asked to leave the class immediately. If these devices are seen and/or used during an exam, the exam will be collected from the student and the student will no longer be allowed to continue taking the exam. The exam score will be noted as “0”. I expect students to be respectful of other students time and learning experience.

**Proposed Weekly Class Schedule (May change based on the progress in class)**

	Week of:	Topic and Reading
1	January, 25	<i>Introduction to International Macroeconomics</i> Building blocks of Economy and Introduction to Basic Economic Models Read Managing Global Economy (MGE), Ch. 1 and Class notes Class discussion on <i>Current Economic Condition in Emerging Economies</i>
2	February 1	<i>Understanding A Nations Economic Condition: Measuring and Issues relating to National Output and Economic Growth.</i> Read MGE Ch. 2 and Class notes
3	February,8	<i>Understanding A Nations Economic Condition: Monitoring Labor Market Conditions and Inflation, Real GDP and Business Cycles</i> Read MGE Ch. 3 and 4 and class notes
4	February,15	<i>Understanding A Nations Economic Condition: Economic Growth</i> Class notes  <i>Team 1 Presentation on Brazil</i> Case Study on Brazil
5	February,22	<i>Foundations of Monetary Policy and Real Loanable Funds Markets – Monetary Aggregates and Financial Intermediaries;</i> Read MGE Ch. 6, Ch 7 and class notes <i>Team 2 Presentation on Singapore</i>
6	February,29	<i>Foundations of Monetary Policy and Real Loanable Funds Markets – Controlling Money Supply and the Anatomy of Interest Rates</i> Read MGE Ch. 8, Ch 9 and class notes <i>Team 3 Presentation on Russia</i> Case Study discussion on Russia
7	March, 7	<b>Class Exam 1 (March 10, 2016)</b> Review of the exam
8	March,21	<i>Foundations of Fiscal Policy Real Goods Sector – Price and Output Fluctuations</i> Read MGE Ch. 10 and class notes <i>Team 4 Presentation on India</i> Case Study on India <i>Foundations of Fiscal Policy and Real Goods Sector</i> Read MGE Ch. 11 and class notes

		<i>Class discussion on the Role of the Government and Market Failures</i>
9	March,28	<i>Foundations of the Foreign Exchange Markets</i> Read MGE Ch. 12 and class notes <i>Team 5 Presentation on China</i> <i>Case Study on China</i>
10	April,4	<i>Foundations of the Foreign Exchange Markets -International Linkages</i> Read MGE Ch. 13 and 14 and class notes <i>Team 6 Presentation on Japan</i>
11	April,11	<b>Class Exam II (April 14, 2016)</b> <i>Review of the Exam</i>
12	April,18	<i>Integrating Macroeconomic Market in Three Sector Model</i> Read MGE Ch. 15 and class notes <i>Team 7 Presentation on South Africa</i> <i>Team 8 Presentation on Chile</i>
13	April,25	<i>Economic Shocks to Economies with Fixed and Flexible Exchange</i> Read MGE Ch 16 and 17 and class notes <i>Team 9 Presentation on Great Depression</i> <i>Team 10 Presentation on Regan Plan</i>
14	May,2	Policy Analysis of Country's Strategy: Some Illustrations
15	May 9	Review of the Final Exam
<b><i>Final Exam on May 12-18, 2016 (Tentative)</i></b>		