Faculty Committee on Graduate and Continuing Education

Proposal for a New Graduate Course

Department: School of Business; Dept. of Economics and Finance
Graduate Program: Master of Business Administration

Course Number & Title MBAD 518 – The Global Economy
Total hours/week: 42 hours/7 hours per week for 6 weeks
Number of Credits Lectures: 3 Lab: 

Will this course be cross-listed with an undergraduate or other graduate course? ☐ YES  ☐NO
If yes, please complete an attach to this proposal a Permission to Cross-List a Graduate Course form.

Course will first be offered Fall 2010

Catalog description (Please limit to 50 words):

This class is designed to provide a framework for understanding how national and international macroeconomic markets interact, how they impact business performance and, therefore, how they affect business decisions.

Prerequisites (or other restrictions)
none

Rationale/justification for course (consider the following issues):

a. What are the goals and objectives of the course?
   Please see attached

b. How does the course support the mission statement of the department and the organizing principles of the graduate program?
   Please see attached

Are other departments affected by this course? ☐ YES  ☐ NO
(Please attach letters of support from the chairs of each department indicating the Department has discussed and supports the proposal.)

Is this course part of a joint program? ☐ YES  ☐ NO  if yes, at what institution?

Method of teaching: Lecture

If more space is needed for any section, please attach additional sheets to this form.

November 2007
Expected changes

a. Address potential enrollment pattern shifts in the Department or University-wide as it relates to the offering of this course.
   
   New program with new students anticipated

b. Address potential shifts in staffing of the departments as it relates to the offering of this course.
   
   New Finance Assistant Professor will be requested in year two to teach MBA classes

Requirements for additional resources made necessary by this course. (Note: course requiring additional resources will need special justification.)

a. Staff  None

b. Budget  None

c. Library  None

Attach course syllabus, reading list, or any additional documentation that can help the committee evaluate this proposal. A syllabus is mandatory.

Signature of Program Director:

Signature of Department Chair:

Signature of Schools’ Dean:

Signature of Additional Chair’s Signature:  

Signature of Additional Schools’ Dean Signature:  

Signature of Provost:

Signature of Budget Director**:

*For interdisciplinary courses.

**Business Affairs Office

If more space is needed for any section, please attach additional sheets to this form.
Rationale/justification for course (consider the following issues):

c. What are the goals and objectives of the course?

   Macroeconomic variables pose a significant challenge to businesses because they are determined by markets and/or governmental agencies, not managers. Managers have no control over these variables so they must develop superior skills reacting to, coping with, and anticipating macroeconomic fluctuations. Goals include the following:

   ➔ Primary Goal: To learn non-theoretical, practitioner-based methods to cope with open economy interactions.

   ➔ To learn the sources and meaning of macroeconomic variables including GDP, inflation, unemployment, money supply, exchange rates, interest rates etc...

   ➔ To learn the interaction of macroeconomic variables across countries (covered interest parity, purchasing power parity, beggar-thy neighbor policies, convergence etc.)

   ➔ To learn the impact of macroeconomic characteristics on financial statements, long term budgeting, pricing strategies and other business operations.

   ➔ To learn the impact of fiscal and monetary policy on the aggregate economy to better understand the business climate under different regimes.

   ➔ To learn basic descriptions of various markets (loanable funds, exchange rates, assets, goods and services) and how those markets interact.

d. How does the course support the mission statement of the department and the organizing principles of the graduate program?

   The class will increase global awareness among students by examining open economies and their interaction with other countries as well as engage students in responding to externally imposed macroeconomic constraints through case studies. Students will learn to innovate solutions within the construct of a given firm to understand the decisions that are necessary in a global economy. The leadership roles that students will play in the class with given scenarios will prepare students for leading companies through international economic practices and potentially economic crisis. Additionally, students will engage in ethical deliberation associated with the global economy including discussions of outsourcing, gray markets, labor relations etc... Additional information regarding specifics of the course can be found in the attached syllabus.

If more space is needed for any section, please attach additional sheets to this form.
Syllabus

The Global Economy

MBAD 518

MW 1:00-4:30pm

Beatty xxx

Website: http://prof.people.cofc.edu

Professor X

Office: Beatty xxx

Office Hours: MWF 9-11am or by appointment

Email: prof@cofc.edu

COURSE OUTLINE

This class is designed to provide a framework for understanding how national and international macroeconomic markets interact, how they impact business performance and, therefore, how they affect business decisions.

Macroeconomic variables pose a significant challenge to businesses because they are determined by markets and/or governmental agencies, not managers. Managers have no control over these variables so they must develop superior skills reacting to, coping with, and anticipating macroeconomic fluctuations.

→ **Primary Goal**: To learn non-theoretical, practitioner-based methods to cope with open economy interactions.

→ To learn the sources and meaning of macroeconomic variables including GDP, inflation, unemployment, money supply, exchange rates, interest rates etc...

→ To learn the interaction of macroeconomic variables across countries (covered interest parity, purchasing power parity, beggar-thy neighbor policies, convergence etc...)

→ To learn the impact of macroeconomic characteristics on financial statements, long term budgeting, pricing strategies and other business operations.

→ To learn the impact of fiscal and monetary policy on the aggregate economy to better understand the business climate under different regimes.

→ To learn basic descriptions of various markets (loanable funds, exchange rates, assets, goods and services) and how those markets interact.

TEXT

There is one textbook for this class: *Managing in a Global Economy* by John E. Marthinsen. Additional material may include handouts that will be distributed.

*If more space is needed for any section, please attach additional sheets to this form.*

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GRADING

The final grade in this class will be calculated under a 10 point graduate grading scale.

<table>
<thead>
<tr>
<th>Grading Weights</th>
<th>Graduate Grade Scale</th>
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<tbody>
<tr>
<td>Homework I - 10%</td>
<td>A: &gt; 90%</td>
</tr>
<tr>
<td>Midterm I - 15%</td>
<td>B+: 86% - 90%</td>
</tr>
<tr>
<td>Homework II - 10%</td>
<td>B: 80% - 86%</td>
</tr>
<tr>
<td>Midterm II - 15%</td>
<td>C+: 76% - 80%</td>
</tr>
<tr>
<td>Homework III - 10%</td>
<td>C: 70% - 76%</td>
</tr>
<tr>
<td>Final Exam - 40%</td>
<td>F: &lt; 70%</td>
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<tr>
<td></td>
<td>I: Incomplete</td>
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<tr>
<td></td>
<td>XF: Academic Dishonesty</td>
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<td></td>
<td>W: Withdrawn</td>
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The Final Exam is comprehensive. Roughly 1/3 of the Final will come from new material not covered on either of the Midterms. The instructor reserves the right to “curve” grades at the end of the semester or consistently not award “+”grades.

Three homework assignments will be given out through the course of the semester.

Any disagreement with the grade given in any quiz or exam can only be contested in a written form. Submit in writing (not email) both the question which you believe was unfairly graded along with economic reasoning for why your answer was correct. A written response will be given to you afterwards.

Under NO circumstances will a grade be changed by email or any other means. In addition, grades may not be sent out over email.

Students with documented disabilities who may need academic accommodations should discuss these with me as soon as possible.

If more space is needed for any section, please attach additional sheets to this form.

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**SCHEDULE**

If you can not attend either of the midterms or the final or you will be unable to attend the class regularly then it is likely that your grade will reflect your effort. No makeup exams are offered. If you are unable to or unwilling to read the assigned material then it is likely that your grade will reflect your effort. The best method to study for the midterms and final is to understand the lecture notes. You, not the professor, are responsible for your notes. The lectures are constructed so that the text may act as a reference.

<table>
<thead>
<tr>
<th>DATES</th>
<th>NOTES</th>
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</table>
| Week 1 | Ch. 1 (macroeconomic conditions and data, macroeconomics relating to financial statements)  
Ch. 3 (labor market conditions, underground economy, outsourcing)  
Ch. 4 (inflation, real GDP, business cycle, pricing strategies under different inflationary regimes) |
| Week 2 | Ch. 6 (monetary aggregates and financing, functions of money)  
Ch. 7 (financial intermediaries, bank balance sheets, check clearing and money multiplier)  
Ch. 8 (central banking, monetary policy and its timing, foreign exchange intervention) |
| Week 3 | HOMEWORK 1 DUE  
Makeup and Discussion  
**MIDTERM 1**  
Ch. 9 (interest rates and their determinants, international capital markets)  
Ch. 10 (price and output fluctuations, AS-AD, labor productivity)  
Ch. 11 (fiscal policy and automatic stabilizers, crowding out effect) |
| Week 4 | Ch. 11 (fiscal policy and automatic stabilizers, crowding out effect)  
Ch. 12 (foreign exchange markets, spot and forward rates)  
Ch. 13 (determinants of exchange rates, nominal vs. real ex. rates, international exchange rate systems)  
Ch. 14 (balance of payments, financial crisis) |

*If more space is needed for any section, please attach additional sheets to this form.*

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<table>
<thead>
<tr>
<th>Week 5</th>
<th>HOMEWORK 2 DUE</th>
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<tbody>
<tr>
<td>Makeup and Discussion</td>
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**MIDTERM 2**

Ch. 15 (integrating goods and services market, loanable funds market and foreign exchange market)

Ch. 16 (economic shocks to nations with flexible exchange rates)

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<tr>
<th>Week 6</th>
<th>Ch. 17 (economic shocks to nations with fixed exchange rates)</th>
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<tr>
<td>Ch. 18 (long-term growth and development, quantity theory of money)</td>
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**HOMEWORK 3 DUE**

Makeup and Discussion

**FINAL EXAM**

Midterm and Final Exams may not be returned.

**OTHER IMPORTANT INFORMATION**

**HONOR CODE**

Lying, cheating, attempted cheating, and plagiarism are violations of our Honor Code that, when identified, are investigated. Each incident will be examined to determine the degree of deception involved.

Incidents where the instructor determines the student’s actions are clearly related more to a misunderstanding will handled by the instructor. A written intervention designed to help prevent the student from repeating the error will be given to the student. The intervention, submitted by form and signed by both the instructor and the student will be forwarded to the Dean of Graduate Students and placed in the student’s file.

Cases of suspected academic dishonesty will be reported directly by the instructor and/or others having knowledge of the incident to the Dean of Graduate Students. A student found responsible by the Honor Board for academic dishonesty will receive a XF in the course, indicating failure of the course due to academic dishonesty. This grade will appear on the student’s transcript for two years after which the student may petition for the X to be expunged. The student may also be placed on disciplinary probation, suspended (temporary removal) or expelled (permanent removal) from the College by the Honor Board.

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Students should be aware that unauthorized collaboration--working together without permission--is a form of cheating. Unless the instructor specifies that students can work together on an assignment and/or test, no collaboration is permitted. Other forms of cheating include possessing or using an unauthorized study aid (such as a PDA), copying from others' exams, fabricating data, and giving unauthorized assistance.

Research conducted and/or papers written for other classes cannot be used in whole or in part for any assignment in this class without obtaining prior permission from the instructor.

No phones or devices with internet access may be used as calculators during a quiz or exam.

Students can find the complete Honor Code and all related processes in the Student Handbook at http://www.cofc.edu/generaldocuments/handbook.pdf.

ENROLLMENT

Students not properly enrolled may be dropped from the course or may not receive a final grade. Students who do not attend any of the lectures in the first week may be dropped from the class.

ADDITIONAL STATEMENTS

SCHOOL OF BUSINESS LEARNING GOALS: In this class students must ethically question the tradeoff between equity and efficiency. By understanding this inherent public policy tradeoff students will be encouraged to appraise other ethical tradeoffs as well. Additionally, students will be studying economic principles in a global environment. By analyzing the global interactions between economies, firms and households students will have the opportunity to consider their own actions in a global economy. Finally, students will gain valuable problem-solving skills that can be applied to business decisions.