
BA 561: GLOBAL ISSUES AND MACROECONOMICS

Program: FT MBA
Course Outline

COURSE INFORMATION

Division: Strategy & Business Economics

Term/period: Period 3

Instructor: José Pineda

Email: jose.pineda@sauder.ubc.ca

Phone: 604-822-9508

Office hours: HA 279 (Mon-Wed 1:30-3:00pm or
by appointment)

Section number: 001, 002

Class meeting times:

Make up class for sections 001-002:

Fri Jan 11: 4:00 PM to 6:00 PM in ANGU-098

Guest Lecture for sections 001-002:

Fri Jan 18: 4:00 PM to 6:00 PM in ANGU-098

Section 001: Monday/Wednesday 8am – 10am

Section 002: Monday/Wednesday 10am – 12pm

Course duration: January 2 – February 1, 2019

Final Exam: February 4 - 7, 2019 (120 minutes)

Classroom location: ANGU-132

Course website: www.canvas.ubc.ca

BRIEF COURSE DESCRIPTION

The performance of firms is related to the macroeconomic environment in which they operate. In this course, we will use macroeconomic theory to discuss and evaluate issues and recent developments of main global economies. The course is designed to provide a basic understanding of the macroeconomics concepts and analytical tools to develop a framework for analysing contemporary macroeconomic policy challenges, macroeconomic issues such as business cycles, money, inflation, interest rates, monetary and fiscal policy, wages, labor markets, productivity and growth, linking the macroeconomic theory to business issues. Past and recent economic events, are interpreted in light of the theory covered in the course.

COURSE GOALS & LEARNING OBJECTIVES

Upon completion of BA 561, students should be able to

- Analyze the current macroeconomic environment and its main challenges.
- Learn main macroeconomic indicators used by investors performing economic analysis and forecasting tools.
- Understand the elements of long, medium and short-run performance of the economy and their impact on the product, labor and financial markets as well as the role of macroeconomic policy (e.g. monetary and fiscal policy).
- Recognize the dilemmas and vulnerabilities of the open economy, including small open economies.
- Interpret discussions about the economy in the intelligent business news and apply critical reasoning to such discussions.

BA 561: GLOBAL ISSUES AND MACROECONOMICS

Program: FT MBA
Course Outline

COURSE MATERIALS & REQUIREMENTS

Reading Materials:

- Lecture Notes – slides will be available on Canvas at least 24 hours before class.
- Macroeconomics, (6th Canadian Edition) by Olivier Blanchard and David R. Johnson. Suggested but not mandatory.

The Following reading materials can be found on-line:

Readings for classes 1 & 2:

Current global macroeconomic performance

- <https://www.project-syndicate.org/commentary/global-economic-outlook-reforms-by-nouriel-roubini-2017-10>
- <https://www.imf.org/en/Publications/WEO/Issues/2018/09/24/world-economic-outlook-october-2018>
- <https://www.cnn.com/2018/04/20/the-three-biggest-challenges-facing-the-global-economy-imf.html>
https://www.project-syndicate.org/commentary/trade-war-china-structural-reform-by-shang-jin-wei-2018-11?a_la=english&a_d=5bdaff0978b6c7621881584d&a_m=&a_a=click&a_s=&a_p=%2Fsection%2Feconomics&a_li=trade-war-china-structural-reform-by-shang-jin-wei-2018-11&a_pa=section-commentaries&a_ps=

Oil prices shocks

- <https://www.cnn.com/2018/07/19/oil-prices-energy-market-is-becoming-increasingly-dangerous-analysts.html>
- <https://www.reuters.com/article/us-oil-opek-kemp/oil-market-hears-echoes-of-2007-8-kemp-idUSKCN1M41NF>

Labor market

- <https://www.businessinsider.com/why-wage-growth-is-slow-2018-9#in-summary-economists-say-workers-have-lost-much-of-their-power-8>
- <https://www.nytimes.com/2018/11/02/business/economy/jobs-report.html>

Readings for classes 3 & 4:

Consumption and Investment

- <http://business.financialpost.com/news/economy/toronto-and-vancouver-housing-markets-threaten-canadas-rapid-economic-growth-oecd-says>
- https://www.huffingtonpost.ca/2018/09/12/worlds-hottest-housing-markets-canada_a_23525123/
- <http://knowledge.ckgsb.edu.cn/2018/04/02/chinese-economy/concern-finances-china-middle-class/>
- <https://www.cfr.org/blog/china-too-much-investment-also-way-too-much-savings>

Readings for class 5:

Fiscal Policy

- https://www.project-syndicate.org/commentary/tax-cuts-for-the-rich-solve-nothing-by-joseph-e--stiglitz-2017-07?a_la=english&a_d=5979ad7f2bd5d2069ca48547&a_m=&a_a=click&a_s=&a_p=%2Fsection%2Feconomics&a_li=tax-cuts-for-the-rich-solve-nothing-by-joseph-e--stiglitz-2017-07&a_pa=section-commentaries&a_ps=

BA 561: GLOBAL ISSUES AND MACROECONOMICS

Program: FT MBA
Course Outline

- <https://www.nytimes.com/2018/11/02/opinion/the-perversion-of-fiscal-policy-slightly-wonkish.html?action=click&module=Associated&pgtype=Article®ion=Footer&contentCollection=Paul%20Krugman>
- <https://www.ft.com/content/e4f1be54-118e-11e8-8cb6-b9ccc4c4dbbb>
- https://www.project-syndicate.org/commentary/fiscal-stimulus-central-bank-independence-by-adair-turner-2017-05?a_la=english&a_d=5914a8972bd5d21bd06c8c5e&a_m=&a_a=click&a_s=&a_p=%2Fsection%2Feconomics&a_li=fiscal-stimulus-central-bank-independence-by-adair-turner-2017-05&a_pa=section-commentaries&a_ps=
- https://www.washingtonpost.com/opinions/trumps-model-for-us-monetary-policy-venezuela/2018/10/11/8f4f2aae-cd90-11e8-a360-85875bac0b1f_story.html?noredirect=on&utm_term=.2c34e330cff
- <https://www.nytimes.com/2018/07/25/business/trump-corporate-tax-cut-deficit.html>

Readings for class 6 and 7:

Unconventional/Unorthodox Monetary Policy

- <https://www.ecb.europa.eu/press/key/date/2013/html/sp131112.en.html>
- <https://www.ecb.europa.eu/press/key/date/2018/html/ecb.sp181010.en.html>
- <https://www.project-syndicate.org/commentary/unconventional-monetary-policy-new-normal-by-nouriel-roubini-2017-07>

Readings for class 8:

Exchange rate and capital flows

- https://www.project-syndicate.org/commentary/china-misguided-exchange-rate-reform-by-yu-yongding-2017-08?a_la=english&a_d=599e8dfb2bd5d2110899e367&a_m=&a_a=click&a_s=&a_p=%2Fsection%2Feconomics&a_li=china-misguided-exchange-rate-reform-by-yu-yongding-2017-08&a_pa=section-commentaries&a_ps=
- <https://www.thehindubusinessline.com/economy/macro-economy/china-making-efforts-to-make-yuan-dominant-currency-gita-gopinath/article25403013.ece>
- https://www.project-syndicate.org/commentary/china-opaque-foreign-development-loans-by-carmen-reinhart-2018-10?a_la=english&a_d=5bd9ac8b78b6c724d01dd2df&a_m=&a_a=click&a_s=&a_p=%2Fsection%2Feconomics&a_li=china-opaque-foreign-development-loans-by-carmen-reinhart-2018-10&a_pa=section-commentaries&a_ps=
- <https://www.forbes.com/sites/francescoppola/2018/10/31/argentina-and-the-lure-of-dollars/#2bfbc68c6cc6>

Additional readings will be specified and available on Canvas.

BA 561: GLOBAL ISSUES AND MACROECONOMICS

Program: FT MBA
Course Outline

ASSESSMENT SUMMARY

Course grade will be done according to the following:

• Class Participation	10%
• Assignment	10%
• Macroeconomic Project	30%
• Final Exam	50%
Total	100%

ASSESSMENT DESCRIPTION

Assignment

To be posted on the course website (Canvas). Must be completed, printed and handed-in in Class 2.

Class Participation

It is important that students bring their experience and knowledge into the class. Students are expected and encouraged to effectively participate. Participation will be computed from in-class participation. These include in-class discussions related to the topics addresses in the course. Students are also expected to actively engage in class discussions, raising points and building on points raised by their peers, as well as bringing their experience and knowledge to class. Regular and punctual attendance is important. Please bring your name tent to each class and place it in front of you. Students without name tents are welcome to participate, but their participation will not be recorded.

Macroeconomic Project

The group project will focus on providing a summary of the macroeconomic assessment of main global economies and its connection with business issues. The project goal is to provide students with an in-depth analysis for their selected GIE country of real-world data and forecasting on macroeconomic variables such as GDP, inflation, debt, interest rate, investment, exchange rate, unemployment, and expectations and their shaping of the business landscape. Students will be randomly assigned in groups for their macroeconomic project presentation. More details to be posted on the course website (Canvas). *Students who prefer to form a specific group must indicate so the first week of classes, and I will try to accommodate any request as much as possible.*

Final Exam

The exam will consist of a combination of multiple-choice, short answers focusing on the theory and applications covered in class and assigned readings. The exam is closed notes.

BA 561: GLOBAL ISSUES AND MACROECONOMICS

Program: FT MBA
Course Outline

SCHEDULE

Class#	CLASS TOPICS	ACTIVITIES / READINGS	ASSIGNMENTS / DELIVERABLES
Jan 2	Introduction, current economic outlook and measuring the economy	Lectures notes & readings	
Jan 7	Business cycles and labor market	Lectures notes & readings	Assignment is due
Jan 9	Consumption and savings	Lectures notes & readings	
Jan 11	Investment and goods market equilibrium	Lectures notes & readings (Friday Jan 11, 4-6pm HA098)	
Jan 14	Macroeconomic policy I: Fiscal policy and public debt	Lectures notes & readings	
Jan 16	Macroeconomic policy II: Central Banks and the role of money	Lectures notes & readings	
Jan 18	Guest Lecture	(Friday Jan 18, 4-6pm HA098)	
Jan 21	Macroeconomic policy III: Monetary Policy	Lectures notes & readings	
Jan 23	Open Economy Guest Speaker (TBC)	Lectures notes & readings	
Jan 28			Macroeconomic Project (Group presentations)
Jan 30			Macroeconomic Project (Group presentations)

KEY REGULATIONS

Attendance: As per RHL Regulations on Professionalism, Attendance and Behaviour, students are expected to attend 100% of their scheduled classes. Students missing more than 20% of scheduled classes for reasons other than illness will be withdrawn from the course. Withdrawals, depending on timing, could result in a “W” or an “F” standing on a student’s transcript. Students must notify their instructors at the earliest opportunity if they are expected to miss a class due to illness. A medical note from a licensed, local doctor is required if more than 20%

BA 561: GLOBAL ISSUES AND MACROECONOMICS

Program: FT MBA ***Course Outline***

of scheduled classes for a course are missed due to illness. Students are required to notify the Student Experience Manager if they are absent from two or more classes due to illness.

Tardiness: As per RHL Regulations on Professionalism, Attendance and Behaviour, students are expected to arrive for classes and activities on time and fully prepared. Late arrivals may be refused entry at the discretion of the instructor or activity lead. Students arriving halfway through a scheduled class, or later, will be treated as absent for that class.

Electronic Devices: As per RHL Regulations on Professionalism, Attendance and Behaviour, laptops and other electronic devices (cellphones, tablets, personal technology, etc.) are not permitted in class unless required by the instructor for specific in-class activities or exercises. Cellphones and other personal electronic devices must be turned off during class and placed away from the desktop. Students who fail to abide by the RHL “lids down” policy will be asked to leave the room for the remainder of the class. Research has shown that multi-tasking on laptops in class has negative implications for the learning environment, including reducing student academic performance and the performance of those sitting around them.

ACADEMIC MISCONDUCT

All UBC students are expected to behave as honest and responsible members of an academic community. Failure to follow appropriate policies, principles, rules and guidelines with respect to academic honesty at UBC may result in disciplinary action.

It is the student's responsibility to review and uphold applicable standards of academic honesty. Instances of academic misconduct, such as cheating, plagiarism, resubmitting the same assignment, impersonating a candidate, or falsifying documents, will be strongly dealt with according to UBC's procedures for Academic Misconduct. In addition to UBC's Academic Misconduct procedures, students are responsible for reviewing and abiding by RHL's policy on Academic Integrity.

STANDARD REFERENCE STYLE

The Robert H. Lee Graduate School uses American Psychological Association (APA) reference style as a standard. Please use this style to cite sources in your work unless directed to use a different style.

LATE ASSIGNMENTS

Late submissions will not be accepted and will receive a zero.