Economics 2101  
The Global Economy  
Summer 2018  
Professor Usha Nair-Reichert

SYLLABUS

Class: 8.30am-9.25am  
Office hours: TBA  
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Office:

This main objective of this course is to introduce you to the principles of economics from a global perspective. We will study many different topics in micro and macroeconomics such as supply and demand, elasticity, market structures, comparative advantage, international trade in goods and services, national income, inflation, and fiscal and monetary policies in an open economy context. Throughout the course, we will explore ways in which nations, firms, individuals, governments and regional and international institutions and organizations participate in and impact the global economy. We will use the economic concepts and tools we study to analyze a variety of problems and policies in an increasingly integrated global economy. Please also keep in mind as we proceed through the course that economic decisions are made within the broader social, political and cultural context and environment.

Learning Objectives

✦ Students understand how markets function in the global economy.
✦ Students understand the economic decision-making processes of consumers, firms, governments and international organizations in a global context.
✦ Students effectively identify, analyze, and evaluate problems and challenges faced by different stakeholders in the global economy using appropriate economics tools and methods, and draw policy inferences.

Text

The main book that we will use for this course is Survey of Economics: Principles, Applications, and Tools, 7th Edition by Arthur O'Sullivan, Steven Sheffrin, Stephen Perez, Pearson (publishers Pearson Prentice Hall) together with MyEconLab. The bookstore has the e-book and MyEconlab as a bundle. You can also buy MyEconLab separately from the publisher’s website. I will use the 7th edition and MyEconLab for homework etc. If you buy the 6th edition, it is your responsibility to determine what is different in the 7th edition and be current with that materials if it is covered in class. The book chapters will be supplemented with relevant articles/ small case studies/readings. You will analyze these using economic tools and concepts we study in each chapter. You are also expected to keep up with current economic issues; the Wall Street Journal will be used extensively in class to cover current events of relevance to the class. Other readings will be assigned in class. This class will use T-Square to post class handouts and readings and announcements. MyEconLab will be used for all homework.
Grades

The final grades will be based on the following:

(a) 4 homework assignments (5 points each for a total of 20 points)
(b) Class participation including in-class assignments (5 points)
(c) 4 in-class exams (25 points each), out of which the best 3 scores will count towards your grade.

Your exams are graded based on your ability to understand the theories and concepts, and how to apply them in a correct and relevant manner. The goal of the homework is to improve your understanding of the subject matter. You can work together to solve homework problems but each of you has to then write down your answers individually. Homework will be graded for effort. All exams are closed book exams and can be cumulative depending on the average class performance in the previous exams.

Grades will be assigned as follows:

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<tr>
<th>Percentage Range</th>
<th>Grade</th>
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<tr>
<td>Above 90%</td>
<td>A</td>
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<tr>
<td>Less than 90% and 80% or above</td>
<td>B</td>
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<tr>
<td>Less than 80% and 70% or above</td>
<td>C</td>
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<tr>
<td>Less than 70% and 60% or above</td>
<td>D</td>
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<tr>
<td>Less than 60%</td>
<td>F</td>
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If you are taking this class pass/fail, you need to attend all classes, take all the required exams, and obtain a letter grade C or better to pass the course.

You are responsible for finding out when an exam has been scheduled, and when homework is due to be turned in. No makeup exams will be given for any reason. If you have a valid reason for being absent, such as illness (supported by a medical certificate) and miss an exam, you will be permitted to assign higher weights to other exams before you take those exams. If you have a GT approved absence, please let me know at least 2 weeks before your travel date.

Homework assignments will be done through MyEconLab, and you will have a window of time during which each online homework is available for you to complete. Late homework will not be accepted.

Attendance and Class Participation

You are required to attend all classes and be in class on time. Regular attendance will enable you to understand the material more easily, as the lectures and class discussions form an important part of this course. Excused absences with appropriate documentation include illness, family emergency, and GT approved absences. Your final grade maybe lowered by a letter grade if there are three or more unexcused absences. You are responsible for all the material covered in the class, and for finding out details regarding the exams and assignments. I encourage you to participate actively in class discussions.
Accommodations through Office of Disability Services

Georgia Tech offers accommodations to students with disabilities. Please contact the Office of Disability Services (ODS) if you require such accommodation. If you already have a letter from the ODS approving specific accommodations, please be sure to give me a copy of that letter.

Honor Code

The Georgia Tech Academic Honor Code is enforced at all times. You can collaborate on online homework through MyEconLab in the following sense. Please attempt to answer all questions on your own. If you are stuck on a question after trying to answer it on your own, you can then collaborate with others to understand how to solve it. But you must then complete all homework on your own – you discuss with others, understand how to solve the problem, and then solve it on your own. You can collaborate on other types of written assignments in that you can discuss with others how to solve a problem. However, each student must work individually on the writing the answers in their own words. All in-class exams are closed book exams. You cannot use any kind of notes, crib sheets, formula sheets etc. (electronic or otherwise) during the in-class exams. All exams are individual efforts, so you cannot give help to or receive help from anyone inside or outside the class. You can find more information about the honor code at http://honor.gatech.edu/content/2/the-honor-code

Reading Assignments and Approximate Schedule

This is a tentative schedule. The readings below will be supplemented with other materials as appropriate.

Week 1  Introduction to the Global Economy  
            Key economic concepts; Ch. 1, 2

Week 2  Ch 2 – continued plus readings;  
            Comparative Advantage and trade between countries  
            Supply, Demand and Market Equilibrium in an open economy Ch 3

Week 3  Price elasticity of demand; Consumer Choice in the global marketplace;  
            Ch. 4 plus readings

Week 4  Production and Costs; Globalization of production; Ch. 5  

Homework 1 – June 5

Exam 1 - June 7, Thursday

Week 5  Perfect Competition; Ch. 6; Monopoly and Price Discrimination; Ch 7

Week 6  Monopoly and Price Discrimination; Antitrust policies and multinational firms (MNCs) Ch. 7; Market Entry, Monopolistic Competition and Oligopoly; Ch. 8;  

Homework 2 - June 19

Week 7  Market Entry, Monopolistic Competition and Oligopoly; Ch. 8;  
            National Income and Production Ch. 11

Exam 2 – June 29, Friday

Week 8  National Income and Production Ch. 11;  

Week 9  Unemployment and Inflation; Ch.12  
            Aggregate Demand and Supply Ch. 14;  

Homework 3 – July 12

Week 10  Fiscal policy Ch. 15
Monetary policy in an open economy Ch. 17

**Exam 3 – July 18, Wednesday**

Week 11
International Trade and Public Policy Ch. 18

**Homework 4 – July 24**
**Exam 4 – July 25, Wednesday**

Week 12
Your finals week