

ECO 6716
INTERNATIONAL MACROECONOMICS
Summer 2016

PROFESSOR: Doug Waldo
PHONE/FAX: (352) 392-1370/(352) 392 7860
E-MAIL: waldo@ufl.edu

PURPOSE: Macroeconomics is concerned with the determination of a country's output, inflation, interest rates, exchange rates, & trade balance. This course adopts a highly international perspective, considering the international linkages arising from capital & trade flows as well as a comparison of macroeconomic policies and performance across countries. In addition the course examines the effects of macroeconomic events on the international business environment. By the end of this course, you should be able to understand the coverage of international macroeconomics presented in print & on TV. Useful sources of macroeconomic news include publications like *The Economist*, *The Wall Street Journal*, *The New York Times*, & *Business Week* & TV shows on CNBC and Bloomberg.

ASSURANCE OF LEARNING Each program at the Warrington College of Business Administration has developed goals and objectives. The **MBA** program goals and objectives that apply to this course are from MBA Learning Goal 5; Program graduates will be competent across business disciplines. Specifically

- 5A. Students will apply the essential elements of core business principles to analyze and solve problems in the business environment.
- 5B. Students will apply essential elements of core business principles to construct and implement decision making processes in the business environment.

PREREQUISITES: Students should have some familiarity with economic terminology & the analysis of supply and demand as presented in ECP 5705

GRADING Grades will be based on 4 online quizzes worth 20 points total, 4 group problem sets worth 40 points total, a midterm worth 100 points, a group in-class case study worth 10 points, and a noncumulative final worth 100 points. All tests are closed book and closed notes. Problem sets will be posted early in the week following our meeting & be due the week before our next meeting. Please submit these in an email attachment in word or excel (not pdf) format. Online quizzes will be due before each test; these are submitted online. Current UF grading policies for assigning grade points can be found at <http://www.registrar.ufl.edu/catalog/policies/regulationgrades.html>.

CLASS MATERIALS: Tests are based on lectures; class notes are your most important resource. The purpose of the text (*Macroeconomics* by Olivier Blanchard) is to help you understand the lectures. Finally, you should have received copies of the **Porsche AG (A)** case study.

TENTATIVE SCHEDULE: In the schedule that follows, the timing is approximate. Numbers in parentheses identify corresponding PowerPoint files.

Date	Topic
4/10	Intro (01), The Goods Market (02), Money Market & Inflation (03)
5/08	Problem Set 1 due
5/14– 5/15	The IS-LM Model (04), The Medium Run & the Long Run (05) Inflation and Interest Rates (06), Stock Prices (07), & Openness in Goods & Financial Markets (08)
6/05	Problem Set 2 & Online Quizzes due
6/11 – 6/12	Online Quizzes due for 1-7. Midterm covering the material through Stock Prices (07). The Goods Market in an Open Economy (09), Flexible Exchange Rate IS/LM (10). Porsche Case (11) - skim the case and come to class prepared to discuss the posted questions. European Monetary Union (12)
7/03	Problem Set 3 & Online Quizzes due
7/09 – 7/10	Latin American Economic Reform 1 (13), Fixed Exchange Rate IS/LM (14), Devaluations & Currency Crises (15), Latin American Economic Reform 2 (16), Globalization (17), & Currency Crises Case (passed out in class and done as an in class exercise)
7/24	Problem Set 4 & Online Quizzes due
8/06	Online Quizzes due for 8 - 17. Final covering Openness (08) through Globalization (17)

PPT File	Topic	Chapter & Page Numbers ¹
01	Intro	1 (pp. 3 – 15) 2 (pp.20 – 25, 33-34)
02	Goods Market	3 (pp. 43 - 50, 53 – 56, 58 - 60) ²
03	Money Market & Inflation	4 (pp. 63 – 72)
04	IS/LM Model	5 (pp. 85 - 102) & Handout
05	Medium Run & Long Run	Handout
06	Inflation & Interest Rates	14 (pp. 291 – 296, 300 – 304)
07	Stock Prices	15 (pp. 322 - 333)
08	Openness	18 (pp. 379 – 396)
09	Open Economy Goods Market	19 (pp. 399 – 401, 409-411, 413-414) ³
10	Flexible Exchange Rate IS/LM	20 (pp. 423 – 435) & Handout
11	Porsche	Case
12	European Monetary Union	21 (pp. 459 – 462)
13	LA Economic Reform 1	
14	Fixed Exchange Rate IS/LM	20 (pp. 435 – 439) & Handouts
15	Devaluations & Currency Crises	21(451 - 455 & 462 - 464)
16	LA Economic Reform 2	
17	Globalization	

¹ Page numbers are from the sixth edition of the text

² Skip the ZZ/45° graph

³ Skip the ZZ/AA graph

WEBSITES: There are several useful websites that you may want to access.

The Economist is the premier international business news weekly; many articles are free to the general public. <http://www.economist.com/> If the article you want is not free; you can access it through the UF library databases.

EIU Viewswire provides current business intelligence on 203 countries and can be accessed through the UF library databases. This site has articles describing economic and political trends; it also has a “Data tool” you can use to get data.

UF Library Databases – these can be accessed directly from any computer logged on to the UF network. Go to the Smathers library site <http://www.uflib.ufl.edu/> and from the yellow tabs at the top, select “Databases”. Enter “EIU Viewswire” or “Economist” or some other database identifier. Alternatively if you are not on campus, find and select the green tab on the left “Off-Campus Access” for proxy server or VPN access.

Commanding Heights – website for the (2001) PBS miniseries. You can watch the entire show (small format) over the internet.

<http://www.pbs.org/wgbh/commandingheights/hi/index.html>

The DVD version is no longer in production

FRED II – data base for US macroeconomic data provided by the Federal Reserve bank of Saint Louis

<http://research.stlouisfed.org/fred2/>

World Data Bank- international database (macroeconomics, health, education, demographics) provided by the World Bank

<http://databank.worldbank.org/ddp/home.do>