



SCHOOL OF BUSINESS
MOUNT ST. JOSEPH UNIVERSITY

**Global Economic Awareness – (Summer 2020)
Mount St. Joseph University School of Business**

Course Number: ECO 655 – MSOL-CVG

Level: Master of Science in Organization Leadership

Credit Hours: three CRHs

Course Meets: **Mondays 5:15-8:45pm on 5/18, 6/8, 6/29, 7/20, 8/10**
Same class time Via Zoom. I will send links to all participants via email. If allowed to transition to face to face class meetings for the second half of the summer, and we have some classes left for the course, I will send an email to inform you accordingly of the transition to face to face class meetings.

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COURSE DESCRIPTION

ECO 655 Global Economic Awareness (3 CRH):

This course has two distinct parts. The first part is a comparison of the different economic systems around the globe. In this section, students examine the economic structures of different nations as well as the different roles for government. The second part of the course focuses on international trade. Students examine the theories that guide trade and the role of international economic institutions such as the World Trade Organization.

COURSE LEARNING OUTCOMES

- Describe the impact of the current lockdown from the Corona Virus on the US economy
- Use basic economics principles and concepts to analyze the impact of the recent Fiscal policy on the economy
- Use basic economic principles and concepts to analyze the impact of the recent monetary policy on the economy
- Analyze the impact of expansionary monetary and fiscal policies on the value of the dollar and the trade balance
- Analyze business cycles and the macroeconomic variables influenced by them
- Analyze the effects of institutions such as the WTO, WHO, IMF, WB, UN.



- Analyze recent international trade issues and challenges facing the U.S. economy.

RECOMMENDED REFERENCES

This course will rely heavily on recent topics related to the US economy and International Trade issues. Background material will be utilized from the followings:

The Economist magazine. Relevant articles will be supplied/posted to students via blackboard <https://msj.idm.oclc.org/login?url=https://www.economist.com>

The followings are hyperlinks open source textbooks serve as foundations for our course.

- **Open Source Textbooks** [Open Source site](#)
 1. [Principles of Economics](#)
 2. [Principles-Macroeconomics-2e](#)
 3. [Principles-Microeconomics-2e](#)
 4. [International Business](#)
 5. The Commanding Heights: **The Commanding Heights: 20th century economics history.** The authors, Pulitzer Prize-winner Daniel Yergin and international business adviser Joseph Stanislaw, claim for their book's title an old military metaphor, the Commanding Heights, first used by Lenin in 1922 as a defense of the New Economic Policy. By Commanding Heights, Lenin meant that the state would control the most important elements of the economy. Of course, his successor Stalin extended that notion to all elements, with the total eradication of all private markets. Yergin and Stanislaw use the Commanding Heights as their unifying thread to tell the story of the long-standing battle between government and the marketplace. It's a battle they say has been a defining drama in the 20th century. With considerable discipline they stick to their topic by examining the people who played the major roles in this economic tussle, their ideas and the turning points of the overall conflict.

According to the authors, it is the state (national governments) that has been winning for most of the century. The aftermath of world wars, revolutions, economic depressions, among other causes, have given the upper hand to the state to seize and exercise control over their economies. The extreme changes came to places like the Soviet Union and China, while the industrialized nations of Europe gradually adapted the "mixed economy" approach, where the governmental role was strong, but the market mechanisms were still given some air to breathe.

After World War II, capitalism was really in the doghouse in most places around the world, although less so in the United States. The Labor politicians in Britain were intent upon creating a "New Jerusalem" which would have nothing to do with Adam Smith or traditional 19th century liberalism. To that end they adopted as their blueprint the Beveridge Report, prepared by William Beveridge who had been the head of the London School of Economics. It set out a state welfare agenda to do in Want, Disease, Ignorance, Squalor, and Idleness (unemployment). The Beveridge Report's influence reached beyond the United Kingdom to all corners of the world and further fueled the assault on the Commanding Heights.



It was not until the 1970s that the tide began to turn. Margaret Thatcher, along with her idea man, Keith Joseph, set out to overturn Britain's mixed economy. Her challenge to the root assumptions of the welfare state and her successes also spread throughout the world.

The ascendance of free market economies is well known from the Thatcherite revolution until today. Competition, deregulation, openness and privatization have become commonplace and led to the surrender of the Commanding Heights to the capitalist army.

The Commanding Heights: The Battle for the World Economy is a book by Daniel Yergin and Joseph Stanislaw first published as *The Commanding Heights: The Battle Between Government and the Marketplace*. That Is Remaking the Modern World in 1998. In 2002, it was adapted as a documentary of the same title.

<https://www.youtube.com/watch?v=gfRTpoYpHfw>

Episode 1

<https://www.youtube.com/watch?v=5eSeaBSFHW8>

Episode 2

<https://www.youtube.com/watch?v=SgFrBedellA>

Episode 3

The Commanding Heights attempts to trace the rise of free markets during the last century as well as the process of globalization. Yergin attributes the origin of the phrase commanding heights to a speech by Vladimir Lenin referring to the control of perceived key segments of a national economy

LEARNING STRATEGIES

Type	% of Course
Lecture/Traditional Classroom	60
Recent Article presentations	10
Projects	30

PERFORMANCE EVALUATION

Description	Letter Grade	GPA Scale	Range
Excellent	A	4.0	90% - 100%
Very Good	B	3.0	80% - < 90%
Good	C	2.0	70% - < 80%
Fail	F	0	< 70%

GRADING

The grade a student receives in class will be determined as follows:

Class Participation	10%
Pre-Assignment	25%



Presentation	10%
Paper	30%
Quizzes	25%
Total	100

Teaching and Learning Methodologies

This course is primarily a lecture and discussion format, although at the end there will be student presentations. Students are expected to come to class/join the class prepared and ready to discuss the material assigned (i.e., read ahead and think about current events that are relevant).

Blackboard is the Course Management System. Readings and grades are posted on Blackboard. Course announcement will also be made via Blackboard. If we continue with virtual course delivery, then our meetings will be via either Zoom or other medium. I will inform the class soon.

CLASS PARTICIPATION AND ASSIGNMENTS

Given this is a five-week class, each class is incredibly important, especially since we are going to cover a lot of material, that is current, each class. By design, this course builds each concept, approach, and methodology on top of each other that culminates in, hopefully, a comprehensive understanding and practical application of economics.

Classroom participation and individual presentations are 20% of your grade. This grade is determined by attendance and your ability to intelligently participate in classroom discussions. Demonstrating that you have read the assigned material prior to class is a determinate of your participation grade.

Quizzes

Roughly, there will be three quizzes given via blackboard covering material typically covered in my previous class. I will send an announcement via blackboard at least a week in advance regarding the Quizzes. The Quiz material comes primarily from the class lectures based on the textbook and material covered in class. Make-ups for the Quizzes will only be given in extreme cases of student incapacitation. Approval for a make-up must be given by the instructor prior to the Quiz period.

POLICIES

ACADEMIC HONESTY POLICY

Please use the following link to access Mount St. Joseph University's Academic Honesty Policy. The policy will be enforced in this class.



[Link to University Graduate Academic Honesty Policy](#)

DISABILITY POLICY

In compliance with Section 504 of the Rehabilitation Act of 1973, Mount St. Joseph University provides academic adjustments and auxiliary aids for students with physical or mental impairments that substantially limit or restrict one or more major life activities such as walking, seeing, hearing, or learning. Students with disabilities should contact the Director of Learning Center & Disability Services to present documentation and develop individualized accommodation plans. Students who have already registered with MSJ Disability Services are encouraged to discuss their accommodations with their course faculty at the beginning of each semester. Additional information can be found at [Link to University Disability Services](#).

TEMPORARY ILLNESS POLICY

Please use the following link to access Mount St. Joseph University's Temporary Illness Policy. [Link to Temporary Illness Policy](#)

POLICY ON INCOMPLETES

Please use the following link to access Mount St. Joseph University's policy on incompletes. [Link to Graduate Incomplete Policy](#)

DROP DATES FOR THE CURRENT SEMESTER



Please use the following link to access information regarding drop dates for this semester. [Link to Semester Policies and Procedures](#)

ATTENDANCE POLICY


It is particularly important to attend all class meetings due to the accelerated format of graduate business courses. If you will miss one class meeting for an unavoidable reason, please contact the instructor as soon as possible in order to discuss alternative ways of meeting the learning outcomes that will be covered in the class meeting. If you will miss more than one class meeting for a particular course, please contact both the instructor and the Assistant Dean as soon as possible to discuss whether it is advisable to take the course this semester. Each unexcused absence will lower your final grade by one letter.

COURSE SCHEDULE

Tentative Course Schedule

Date	Topics	Class Preparation & Assignments
<p>Date 5/18 Class 1</p>	<ul style="list-style-type: none"> • Welcome to Economics • Introduction • What is Economics • Microeconomics and Macroeconomics • Using Models and Theories to understand Economic issues • An overview of Economic Systems 	<ul style="list-style-type: none"> • Pre-Assignment Due • Read Chapter 1, 2, 3, 4 <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  The World Econ Strange Rules </div> <div style="text-align: center;">  The culture wars between economists </div> </div>



	<ul style="list-style-type: none"> • Opportunity Cost and Production Possibilities Frontier • Supply, Demand, and elasticities 	
Class 2 6/8	<p><u>Market Structure</u> (skim through the market structure, I will elaborate on what we need to know.</p> <ul style="list-style-type: none"> • Perfect Competition • Monopoly • Monopolistic Competition <p>GDP, Unemployment, Inflation</p>	<p>Microeconomics: Chapters, 8,9,10 Macroeconomics: Chapters 6,8,9</p>
6/29 Class 3	<p>Aggregate Demand and Aggregate Supply</p> <p>The Keynesian Prospective: Fiscal Policy International Trade</p>	<p>Macroeconomics: Ch.11, 12, 10</p> <p style="text-align: center;">  Trade Wars </p>
7/20 Class 4	<p>Monetary and Banking The Federal Reserve Banking System</p>	<p>Macroeconomics: Ch: 14, 15,</p>
8/10 Class 5	<p>Exchange Rate and International Capital Flows Macroeconomic Policy Around the World</p>	<p>Macroeconomics: Ch 16, 19</p>

Research Paper

The research paper allows you to develop a more complete understanding of the specific



International topic that you are interested in. Although the way that you decide to convey the information is up to you. The paper will be graded on content, style, grammar, writing ability, and thoroughness of research - so by following the instruction detailed below you will save yourself a lot of frustration. Please have someone proofread your paper before handing it in. This will save you time and points. Research papers address a specific research question, either through the analysis of data you compile (analytical paper) or through the comparison of the results of current research (comparative paper). Alternately, historical accounts typically "tell the story". Regardless of the paper type you choose to do; start early, determine what materials you will need, and if our library doesn't have them use inter-library loan. Remember that inter-library loan is an online resource via our library.

Below are the general formats for each type of paper:

Analytical and Comparative Format

Introduction

Description of the topic

Clearly stated research question

question

Relevant Current / Historic Research

Review of past or current work

Analysis

For Analytical Papers:

Description of the data

Description of methodology

Results of analysis

For Comparative Papers:

General finding among researchers

Comparison of the various results

Problems and/or key issues

Discussion

Observations concerning the results

Conclusions

References Cited

Historical Format

Introduction

Description of the topic

Clearly stated historical issue or

Relevant Historic Works

Review of past work

Description of the historical context

Historical outcome

Summary

How topic relates to current issues

References Cited

Specific Research Paper Requirements

Please note the following specific requirements for the research paper. They are to appear in the

order that they are listed:

A **Title Page** with:

- a. The paper title
- b. Your name, the course, and the date
- c. The professor's name
- d. A 1 paragraph abstract

2. A **Table of Contents** with:

- a. Subheadings that appear in the text
- b. Page number of these headings

3. A **Research Paper** with:

- a. Begins with an **Introduction**
- b. Has a well organized **Body** divided into **Sections** and **Subsections**



- c. Ends with a **Conclusion** or **Summary**
4. A **Reference** or **Bibliography**

Additional Paper Requirements

- Topic addresses a global economic issue
- 10 pages minimum and 15 maximum excluding cover page and reference page
- 1 inch margins only
- 12 point font
- Double spaced lines
- Sections and subsections divided by one blank line
- No blank lines between paragraphs in the same section
- Single spaced references/bibliography
- No one-sentence paragraphs
- Number all pages except the Title Page
- Paper must include at least 6 references. Three of the references must be from academic economic sources. These can be found on Ohio Link.
- No plagiarism
- Presentation to the class either on the 4th or 5th class.
- Submit your papers to me electronically before the start of the 4th class.

Paper Presentation

The length of the presentation depends on how many students enroll in the course. Five minutes will be reserved for questions from the audience. Each student must ask at least one question (or make a comment) during the presentations of the other students. Attendance of the presentations of other students is required. Missing a presentation of another student without a proper reason will reduce the grade of the absent student by five points. Presentations will begin during the fifth class. Any remaining presentations will be given after the exam during the sixth class period.

You will be graded on:

- Command of the topic during the presentation
- Must be presented in a coherent manner using presentation slides
- Style of presentation
- Attendance of the presentations of others
- Asking a question of others

Audience

Assume the reader is another MSOL student. Your colleague is well educated but not necessarily an economist, so all economic terms and theory must be fully explained. Good papers will be encouraged to be submitted for publications in economic or business journals.

Opinion



Don't be afraid to express your opinion on controversial issues. Support your position with the appropriate facts and theory. Your grade will not be influenced by an opinion that is different from that of the instructor.

Topics

All topics must be pre-approved by the instructor. Each student must write about a different topic. Topics will be approved on a first come basis. Topic selection will take place between the first class and through the send class day.

Possible Topics

The world health organization and the recent US Corona Virus epidemic.
Foreign outsourcing and the supply chain disruptions
The Collapse of the recent oil prices and the future of the US shale investment
The US Dollar as an International Currency
China vs. US, who will lead over the next decade.
The World after the Corona virus
The World Trade Organization – Challenges and Remedies
The World Health Organization – Challenges after the Corona Virus
Any other pre-approved topic

Note: Pre- Assignment details are below

Pre-Assignment: The point of this pre-assignment is for you to acquaint or reacquaint yourself with basic economics. I am not looking for in-depth discussion and analysis, rather I am looking for basic information. Discussion and analysis will come later in the course. **Use your own words, do not cut and paste.**

All answers must be typed.

Course Preparation (Pre-assignment):

- Please see the Pre-Assignment below
- Start to think of business situations that you have at work that you believe can be assessed and resolved using economic principles
- Please review the following videos from Kahn Academy and others (follow the links below)
 - [Introduction to economics](#)
 - [Scarcity](#)
 - [Economic Models](#)
 - [Law of Demand](#)
 - [Law of Supply](#)
 - [Market Equilibrium](#)
 - [Normative and positive statements](#)
 - [Command and market economies](#)
 - [Comparative Advantage](#)
 - [Comparative Advantage and Absolute Advantage](#)
 - [Conclusion of Comparative Advantage and Absolute Advantage](#)
 - [Lesson: Comparative Advantage and the Gains from trade](#)
 - [Bretton Woods System](#)



- [Bretton Woods System](#)
- [Nixon Ends Bretton Woods](#)
- Read the below article:



Why trade is good
for you



What was decided at
the Bretton woods

- Please review the following 30-minute video by Ray Dalio: [How the Economic Machine Works](#). It's a great overview of how the economy works provides a nice foundation for parts of this course.

Pre-Assignment

- Due **before** the start of Class on May 18, 2020.

Objective: Establish a knowledgebase of economic principles and ideas that will enable you to rapidly assimilate the course material and facilitate the execution of your paper for the class. Living and witnessing the current economic chaos is unfortunately once in a lifetime event! We hope not to witness this chaos again. To understand the functions of the Federal Reserve Bank (Monetary Policy), the US treasury (Fiscal Policy), the WTO as well as the WHO among others, we need to picture the US economy at the macro level and envision all of its microeconomic components. Given the unfortunate time we are experiencing in 2020, where a pandemic has led to a global recession and the Federal Reserve Bank and the Treasury employing policies never used before to revive the economy, it is the right time to understand the effectiveness of monetary policy when the 10-year treasury yield is below 0.65 percent. The current market conditions are in many ways worse than in the 2009 financial crises because they are not about liquidity; rather, there is a major shift in the structure of our economy.

Please respond to each question with 3 to 5 bullet points, unless otherwise instructed. I am looking for awareness and basic knowledge, not in depth understanding or critiques. Finally, feel free to use any reputable source of information to respond, but please reference source information. The Open Source Texts are excellent references as a starting point.

(1) Define the following terms:

- Economics
- Microeconomics vs. Macroeconomics
- Market Equilibrium
- The Law of Demand
- The Law of Supply
- Market Structure
- Perfect Competition
- Monopoly
- Monopolistic Competition
- Oligopoly
- GDP
- Unemployment Rate
- Depression vs. Recession



- The Business Cycle
 - The Federal Reserve Bank
 - The US treasury
- (2) Compare the following terms (up to 10 bullets, if required):
- Absolute Advantage versus Comparative Advantage
 - Command Economy versus Market Economy
 - Positive versus Normative economic statements
- (3) What do you believe drives the US stock market?
- (4) Please read the following article and provide what you think are the salient points:
<https://johnhcochrane.blogspot.com/2018/03/unintended-consequences.html>
- (5) Developed vs. Developing Economies.
- (6) The Bretton Woods System
- (7) What are your objectives for Econ 655?
- (8)
- a. Go to www.wto.org. In one short paragraph, what is the World Trade Organization? Who is the head of the WTO?
 - b. Go to www.worldbank.org. In one short paragraph, what is the World Bank? Who is the head of the World Bank?
 - c. Go to www.imf.org. In one short paragraph, what is the International Monetary Fund? Who is the head of the IMF?
 - d. Go to www.europa.eu.int. In one short paragraph what is the European Union? List the countries in the EU.
 - e. NAFTA vs. USMCA. In one short paragraph, what are the major differences of the two arrangements
 - f. Go to www.cia.gov and find the World Fact Book. Report the per-capita GDP, the unemployment rate, life expectancy, the government type and the population of the following countries: United States, Mexico, Canada, Saudi Arabia, China, Japan, India, Brazil, Russia, Italy, and Spain.
- (9) Recently, President Trump halted the fund the US contributes to the World Health Organization (WHO) and he said that we need to revisit both WTO as well as WHO ! Please elaborate on the reason behind his action.