

Course		
The Global Economy has issues: What can we do?		
Lecturer	Duration	ECTS /Credits
Prof. David Carr dcarr@usd.edu	October 24-28, total of 24 hours (SWS)	3
Course Character	Semester	Course Language
Elective Course	Fall Semester	English
Prerequisites		
There are no prerequisites for this course.		
Description of the Course		
<p>This course is an examination of major issues in the Global Economy. This course is intended for all students – even those who have never had an economics course! All topics will be taught at an introductory level.</p> <p>Each day, one or two major issues in the Global Economy will be discussed. Each topic will be examined through a combination of lecture, discussion, and working of problems. On the last day of the course, we will conclude with an exam.</p>		
Course components		
<p>a. Attendance and participation: Attendance and participation in class is strongly encouraged as general discussion, asking and answering questions will help understanding the course material.</p> <p>b. Exam: The exam will be held on Friday, October 28, 2022. The time allowed is 90 minutes. The exam will be based on the material and exercises discussed in class. It will include short essay questions, where I will give you the opportunity to show me how much you learned during the class! To receive a passing grade for the course students must obtain at least 50% of the total points possible.</p> <p>c. Group Presentation: On the fourth day, we will have group presentations on an International Economic Issue of your choosing. Part of the fourth day will include free time for you and your group to work on your presentations. As part of the goal for this course is to get the students to take a “topics” course in English, your presentation will be given in English.</p>		
Preparation for and Participation in Class:		
<p>You are expected to have completed all assigned readings and to have, at minimum, attempted the homework assignments prior to each class. I will provide you the reading material via PowerPoint files that I will email to you – also, three copies of the textbook are in the Business Library on the first floor of your faculty building. Classroom lectures/discussions will be utilized to develop and enhance your understanding of the material. You have to be prepared at all times to actively participate in classroom discussions, and you should attend class and participate on a regular basis. Please bring a calculator to each class.</p>		
Course Outline:		
<p>1. DAY 1:</p> <p>1.1. Introductions</p> <p>1.2. Why do countries trade and why do most Economists prefer free trade?</p> <p>1.3. What are the gains from trade like – who wins and who loses?</p>		

- 1.4. What happens when countries restrict trade?
- 1.5. Can countries improve their welfare by restricting trade?
- 1.6. Are these trade issues the same for Germany and the USA?

2. DAY 2:

- 2.1. What is inflation and how can it be calculated?
- 2.2. What causes inflation in the Long Run?
- 2.3. What happened in Germany in 1923?
- 2.4. How does the economy as a whole work?
- 2.5. What does a Long-Run equilibrium look like?
- 2.6. How does a Short-Run equilibrium differ from a Long-Run equilibrium?
- 2.7. What are the two causes of recessions?

3. DAY 3:

- 3.1. Exchange Rate Basics
- 3.2. What is interest rate parity?
- 3.3. How does interest rate parity affect the determination of exchange rates?
- 3.4. What is the relationship between the macroeconomic equilibrium and the exchange rate?
- 3.5. Why has the Euro dropped to be equal only to \$1?

4. DAY 4:

- 4.1. Free time for group work on presentations
- 4.2. Presentations
- 4.3. Free time for students to ask questions of Prof. Car regarding Day1 -> Day 3 material.

5. DAY 5: Final Day

- 5.1. EXAM Time

Selected References:

The seminar is based in particular upon the following references:

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| N. Gregory Mankiw | Principles of Economics, 7 th edition, Cengage, 2014 |
| Feenstra, Robert C. & Taylor, Alan M.: | Essentials of International Economics, 3rd edition, Worth, 2014 |

Important Note:

The above outline is tentative to give you an idea of the sequence of topics. It can be modified and is only designed to give you a rough idea of the topics and the rate at which they will be covered. Some of the above topics will be covered in greater detail than others. The relative importance of each topic will be indicated by me.