

Foundations in Macroeconomics (ECO5042) Syllabus Fall/Winter 2022-2023

Instructor:	Prof. Dr. Robert Godby
Office Hours:	To be announced and also by appointment via Zoom online.
Email:	rgodby@uwyo.edu
Time:	December 1, 2022 to January 20, 2023
	Please note – the classes from December 1st and 8th will be conducted online via a Zoom conference.
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	Classes in person are scheduled to begin January 12 th through January 20 th in Pforzheim.
Room:	See above – links to class lectures will be sent to students in advance. Room to be determined.
ECTS-Credits:	ECTS-Credits: 5 (together with ECO5041 Microeconomics)
Level:	Advanced Level II
Prerequisites:	-
Accessibility:	Course is compulsory for 1 st semester MBA-IM students and open to international guest students on MBA-level

Outline of the course

1. Introduction to macroeconomics
2. Macroeconomic goals and the current global situation
3. The short run: Keynesian demand-side economics and policy implications
4. The medium and long run: Supply-side economics and policy implications
5. Monetary theory and the monetary policy of the European Central Bank

Learning Objectives:

By the end of the course, participants should be capable of:

- Understanding the importance and consequences of macroeconomic conditions for the economy as well as for business decisions
- Interpreting and applying the basics of macroeconomics models and theories to real world economies.
- Applying medium and long-run neoclassical and short-run Keynesian macroeconomic theory to current economic topics
- Explaining major determinants of growth, employment, and price stability.
- Understanding the causes and consequences of low growth rates, unemployment and inflation on business and the economy
- Interpreting different short- and long-run monetary and fiscal policies to overcome macroeconomic problems and having a clear idea how these policies can affect the economy and business

Course contributions to the MBA program goals/learning outcomes

Goal	Learning Objectives	Course Contributions to Goal	Assessment
1 Responsible leadership in organizational contexts	1.1 Knowledge of leadership principles 1.2 Application of leadership principles 1.3 Critical reflection of leadership concepts		
2 Creative problem solving skills in a complex business environment	2.1 Ability to identify, differentiate and classify problems 2.2 Ability to analyze problems (instrumental competence) 2.3 Ability to find creative solutions (systemic competence) 2.4 Ability to present problems (communicative competence)	Analyzing data based on macroeconomic concepts and their limits, short-and long-term theories of the macro-economic process and its implications for policy and business, application issues of current economic policy Critical analysis of the causes of macroeconomic issues and their implications. Critical discussion of competing theories regarding policy recommendations and conclusions.	Interactive lecture Group discussion Final written exam
3 Research Skills	3.1 Methodological knowledge (extending knowledge) 3.2 Competence in applying relevant state of the art research methods (instrumental competence) 3.3 Ability to collect innovative results by using relevant research methods (systemic competence)	Short-and long-term theories of the macro-economic process and their application to current economic policy issues	Interactive lecture Group discussion Final written exam
4 Management of Innovation	4.1 Fundamental knowledge of operational innovation processes 4.2 Ability to assess a company's innovation potential 4.3 Ability to develop complex technological strategies		
5 Management of the challenges of global sustainability and awareness for social and corporate responsibilities	5.1 Fundamental knowledge of sustainability issues 5.2 Ability to identify and analyze sustainability issues and its causes 5.3 Development of sustainability strategies	Discussion of limitations of economic GDP/GNP measures and alternative approaches for welfare assessment (Human Development Approach etc.)	Interactive lecture Group discussion Final written exam

Basic Course Outline and Organization:

Lecture presentations will be made available by email in advance. Additional basic reading and viewing recorded lectures in advance is expected and necessary, as described in the course outline. The class is assumed to be interactive - students are encouraged to bring relevant articles or items for discussion when the applications apply to topics to be discussed.

I may ask for presentations from groups of students throughout the course. Expectations and content will be discussed in class when we meet in the first class in January.

The final written exam will take place at a time and place to be announced. Answers will be used to assess your knowledge of the material and that you are able to apply concepts learned to real world economic and business issues.

Grading:

Preparations active participation in group discussions are mandatory to pass the course. Grading is normally based upon the quality of your answers in the written exam, however, participation and presentation quality will be taken in to consideration and your exam grade may be adjusted by +/- 0.5.

For Microeconomics and Macroeconomics there is a joint 120 min exam which must be passed in total. In case of failure the exam must also be repeated in total.

Course Materials:

The course relies on custom lecture presentations prepared for the class, however the following text link may also serve as a supplementary source:

Supplementary Texts:

A basic text is (I use an older text as it is easily found and cheap!)

Mankiw, G. N.; Taylor, M. P. (2006): Macroeconomics, W.H.Freeman & Co Ltd; revised European edition. Later editions are also available.

American editions of the Mankiw text are also useful though they do not include description of European macroeconomic institutions.

For example:

Mankiw, G. N. (2010): Macroeconomics, 7th edition, Worth Publishers. Later editions are also available.

The “Core” Text:

For this course, and because we are online and have more time than in past years, the following online resource will also serve as a basic text:

The Core Team (2020) *The Economy*, <https://core-econ.org/the-economy/index.html>

This is a basic economics text that includes both micro and macroeconomics. Since our course is most concerned with macroeconomics, we will focus on only some chapters. The primary advantages of this book are (i) it's free! (ii) it's international in scope and content and is therefore a good source of international information and comparison, and (iii) the perspective of this book is primarily an applied one that focuses on concept and application, with less focus on formal models. It is well-suited for an MBA class where students will be

taking the material to apply it to business problems as opposed to continued study of economics at more advanced levels.

Lectures:

Prepared PowerPoint materials that serve as a sort of text will be made available on Moodle. Additionally, lectures will be recorded and available on Zoom. In addition, some content will be recorded in advance and links will be sent to the students to view this content. \

Availability of the lecturer and teaching philosophy:

Prof. Dr. Robert Godby

Email: rgodby@uwyo.edu

Because I am visiting, the best way to contact me is via email. Arrangements will be made to meet students as necessary at a mutually agreeable time and place via Zoom or other video conference.

My main goal is to introduce you to macroeconomics and to make clear why this topic is so relevant to business people and policymakers, or just out of esoteric interest. The course is broken into two parts: Part I - basic macro theory and measurement, and Part II - Business cycles, growth and policy. Each covers the relevant theory. After the first class as we realize what students know and what they don't I will tailor the course to meet the needs and talents of who we have in the class. I expect to use some of the ideas we cover to be the basis of the student-led discussions. I will choose articles or topics for discussions and students will be expected to have read the assigned materials and have a level of familiarity with them that allows constructive discussions about the topics. Please do not hesitate to contact me as early as possible if you have any questions or problems.