University of California, Davis  
Graduate School of Management  
Bay Area MBA Program (San Ramon)  

MGB 202B  
Business, Government and the International Economy  
Fall 2012  

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Course Objectives:  
This course develops a practical framework for measurement and analysis of aggregate macroeconomic variables such as output, employment, inflation and the balance of payments. We will closely examine the relationship between the financial sector and the real economy, and develop models to assess the impact of fiscal and monetary policies. Competing schools of thought regarding business cycles and appropriate economic stabilization & regulatory policies will be evaluated from a current and historical context.  

A key objective of this course is to interpret real-world macroeconomic and financial data, and utilization of these data in business planning and investment decisions. As such, we will spend considerable time assessing recent financial and economic crises, and accompanying policy debates. We will assess the appropriate role of government in the economy, an issue that has stirred considerable political debate throughout the world, especially in the current U.S. election cycle. While our focal point will be the U.S. economy, we will make lots of international comparisons and consider linkages arising from global trade and financial market integration. Efforts to reduce global economic imbalances and improve international policy coordination will be examined from a theoretical and practical standpoint. We will also examine the heated policy debate surrounding the ongoing turmoil in Eurozone economies.  

Requirements:  
Students are required to attend all classes, fulfill reading assignments, and complete homework assignments and exams on schedule. Since the framework of economic analysis developed in this course is cumulative in nature, missing a class can be detrimental.  

Grading Procedures:  
Course grades will be based on four weekly homework assignments (weighted 60%) and a take-home final exam (weighted 40%). Homework assignments and the final exam will consist of essay questions and analytical problems. The questions will involve the application of economic theories and concepts to current events, government policy evaluation, and business decision making. Teams, of up to four students, are encouraged to work together on homework assignments. The final exam will be cumulative and will assess students’ broad understanding of applied global macroeconomics.  

Textbook and Readings:  
Supplementary articles and data will be distributed in class and posted on SmartSite.  

Recommended: It is recommended that students read a daily business newspaper such as the Financial Times or Wall Street Journal. The weekly Economist magazine is also recommended.
## Course Schedule
(provisional)

### MGB 202B – Fall 2012

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<thead>
<tr>
<th>Session</th>
<th>Date</th>
<th>Topic</th>
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<tbody>
<tr>
<td>1</td>
<td>Oct 6</td>
<td>Introduction to Global Macroeconomics and Economic Measurement</td>
</tr>
<tr>
<td>2</td>
<td>Oct 20</td>
<td>Money, Central Banking and Credit Markets</td>
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<tr>
<td>3</td>
<td>Nov 3</td>
<td>Macro Model and Fiscal/Monetary Policy Analysis</td>
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<tr>
<td>4</td>
<td>Nov 17</td>
<td>Balance of Payments, Exchange Rates and Global Capital Markets</td>
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<tr>
<td>5</td>
<td>Dec 8</td>
<td>Anatomy of Financial Crises and Policy Solutions</td>
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Homework assignments will be distributed on 10/6, 10/20, 11/3, 11/17, each due by the following class. Final exam will be distributed on 12/8 and due by 12/15.