MGP 202B

Business, Government & the International Economy

Course Outline

Fall 2010

UC Davis – Sacramento Campus

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Office Hours: TTh 1:15-2:45 p.m.


Course Outline

September 27  GDP and Labor Markets  Chapters 1 – 3
October 4  Inflation and Business Cycles  Chapters 4 – 5
October 11  Money, Banking and Credit  Chapters 6 – 7
October 18  The Federal Reserve and Interest  Chapters 8 – 9
October 25  Goods & Services Market  Chapters 10 - 11
November 1  Foreign Exchange Markets  Chapter 12
November 8  Exchange Rates and Balance of Payments  Chapters 13 – 14
November 15  Short Run Synthesis  Chapter 15
November 22  Short Run Policy Solutions  Chapters 16 – 17
November 29  Closing comments and general discussion

Course Objective

To meet the challenge of successfully operating any business requires that decision-makers access and process relevant economic information on a timely basis. For a firm that operates across international borders, the complexity of analysis is compounded and calls for a specialized skill set. To facilitate the development of those skills, this course is designed to explore available resources for obtaining relevant information, develop an understanding of the economic data and an appreciation for its inherent strengths and weaknesses, and construct a theoretical framework for evaluating the impact of changing economic conditions on the business environment. This course will develop theoretical tools necessary to understand aggregate supply and demand, consumption expenditures, business investment, government spending and taxation, the Federal Reserve System, the demand and supply of money, foreign exchange rates, international trade, and the balance of payments. Upon completing this course the successful student will
have developed a foundation for interpreting and evaluating international economic patterns, trends, and conditions.

**Performance Evaluation**

Grading will be determined by eight homework assignments - collectively worth 30%, a group project with three delivery dates - collectively worth 40%, and a final take-home exam worth 30%.

The homework assignments will be from end-of-chapter Review and Discussion Questions. The assigned questions will be announced in class with completed assignments submitted through the SmartSite class webpage, and due the following Tuesday. Teams of two students each will collaborate on these assignments. Late submissions will not be accepted and will receive no credit.

The group project will be completed by teams of 4 students each, and consist of three deliverables. The first element of this assignment, due October 18, will be a business summary of a publicly traded US company of your choice. The second element, due November 8, is an analysis of one of the countries identified in Appendix 1-1. Specifically, what are the strengths and weaknesses of that country for potential business expansion? The third element, due November 29, is a synthesis of the first two elements. The question to be addressed is: What would be the strengths, weaknesses, opportunities and threats of the business reviewed in the first element expanding operations into the country evaluated in the second element? Each element deliverable will consist of a paper not in excess of 10 pages of text, with appropriate graphs and charts allowed in addition.

The final component of evaluation is a take-home final exam. The questions will be made available on November 30, with a due date of December 6. The final exam should be completed individually, without assistance from other students.

Course grades will be consistent with GSM grade distributions for breadth courses.

**Required Reading**

Reading assigned chapters from the text prior to class meetings will greatly enhance your classroom experience and should be considered mandatory. Supplementary reading materials and data sources will be made available in the Resources folder on the class web page. Daily reading of relevant articles in the business press, such as the Wall Street Journal, Investors Business Daily, or Financial Times, is highly recommended. When appropriate, class time will be allowed for discussion of relevant articles of interest.