



WORKING PROFESSIONALS MBA -- HOUSTON
BA F184S: MANAGERIAL MACROECONOMICS
UNIQUE No. 70865

SYLLABUS

SUMMER 2015

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Course Objectives

This is a 1 credit course in macroeconomics. In Macroeconomics, we study the economies of nations, and the policies that are implemented the influence entire nations and beyond. This course is intended to survey the major macroeconomic issues and policies and help you become fluent in these areas. This will provide the foundations that you need to understand some of these phenomena and make informed decisions related to managing your firm in a complex global environment. Macroeconomics is fundamentally different than microeconomics. In macroeconomics, there are different “schools of thought” that compete with each other in terms of their explanations of how the economy functions and what policies, if any, should be implemented in response to economic fluctuations, for example. In a course as short as this one, we will avoid most of these disagreements (although they will come up in discussion), and we will focus on empirical evidence. Although the models and policy prescriptions of macroeconomists are often colored by their ideologies, the discourse that is colored by those ideologies does not advance the field in any way, so we will avoid it until it comes up as a relevant topic in our class discussions.

Leadership and this Course

The Texas MBA program is designed to develop influential business leaders. The MBA Program has identified four fundamental and broad pillars of leadership: knowledge and understanding, communication and collaboration, responsibility and integrity, and a worldview of business and society.

In this course, you will enhance your knowledge and understanding of economics and how economic forces impact managerial decision making. Through class discussion, informal study groups and projects, and a formal examination you will enhance your communication and collaboration skills.

Materials

For the macroeconomics portion of the course, we will use the following textbook: David A Moss, *A Concise Guide to Macroeconomics*, 2nd ed. This book is not entirely satisfactory. It was written for MBA students, but it suffers from I perceive to be poor organization and oversimplification. However, using a traditional macroeconomics text for a class like this is impossible, since models are developed that take weeks class time, and then those models are used to explain all the other aspects of macroeconomics. That is not feasible in a course like ours. However, if you are interested in more detail, I can recommend other textbooks to those of you that are interested.

We will also rely on a few cases that relate to macroeconomic issues, and everything is available on Canvas.

Other than this, the slides, videos and our class discussions will provide the material you need to know. In fact, the textbook should be viewed as supplemental.

Video Prequels

There will be approximately 4 hours of “video prequels” posted for this course in order to satisfy the requirement for “asynchronous delivery.”

Course Requirements and Grading

Your grade for this portion of the course will be determined as follows:

Participation	10%
Homework Problems	20%
Final Exam	<u>70%</u>
	100% of the course grade

The final grade distribution for the course will correspond closely to that recommended by the MBA Policy Committee (except in unusual circumstances).

Description of Requirements

Participation

Participation points should be a slam dunk. Come prepared to participate in class discussion and in experiments, and you will get full credit. Non-attendance, non-participation or disruptive behavior will result in lost participation points.

Homework

Homework will be due twice during the semester, the first time at our second weekend meeting, and the second time, electronically. Each study group should turn in at least one completed assignment (but you are free to turn in your own if you wish). It will be graded for content by the TA.

Homework should be completed neatly and professionally. Handwritten answers are fine so long as everything is neat and legible. Please show all your work in deriving your answer. The first homework is due at the beginning of class the second weekend, and the second is due electronically on Sunday, June 21.

The Final Exam

The final exam will be one hour and will take place at our last meeting on June 26. I will provide more information regarding the final in class.

McCombs Classroom Professionalism Policy

The highest professional standards are expected of all members of the McCombs community. The collective class reputation and the value of the Texas MBA experience hinges on this.

Faculty are expected to be professional and prepared to deliver value for each and every class session. Students are expected to be professional in all respects.

The Texas MBA classroom experience is enhanced when:

- **Students arrive on time.** On time arrival ensures that classes are able to start and finish at the scheduled time. On time arrival shows respect for both fellow students and faculty and it enhances learning by reducing avoidable distractions.
- **Students display their name cards.** This permits fellow students and faculty to learn names, enhancing opportunities for community building and evaluation of in-class contributions.
- **Students minimize unscheduled personal breaks.** The learning environment improves when disruptions are limited.
- **Students are fully prepared for each class.** Much of the learning in the Texas MBA program takes place during classroom discussions. When students are not prepared they cannot contribute to the overall learning process. This affects not only the individual, but their peers who count on them, as well.
- **Students respect the views and opinions of their colleagues.** Disagreement and debate are encouraged. Intolerance for the views of others is unacceptable.

- **Laptops are closed and put away (for the most part).** When students are surfing the web, responding to e-mail, instant messaging each other, and otherwise not devoting their full attention to the topic at hand they are doing themselves and their peers a major disservice. Those around them face additional distraction. Fellow students cannot benefit from the insights of the students who are not engaged. Faculty office hours are spent going over class material with students who chose not to pay attention, rather than truly adding value by helping students who want a better understanding of the material or want to explore the issues in more depth. Students with real needs may not be able to obtain adequate help if faculty time is spent repeating what was said in class. There are often cases where learning is enhanced by the use of laptops in class. Faculty will let you know when it is appropriate to use them. In such cases, professional behavior is exhibited when misuse does not take place.
- **Phones and wireless devices are turned off.** We've all heard the annoying ringing in the middle of a meeting. Not only is it not professional, it cuts off the flow of discussion when the search for the offender begins. When a true need to communicate with someone outside of class exists (e.g., for some medical need) please inform the professor prior to class.

Academic Dishonesty

There is no tolerance for acts of academic dishonesty in this class. Such acts damage the reputation of the school and the degree and demean the honest efforts of the majority of students. The minimum penalty for an act of academic dishonesty will be a zero for that assignment or exam.

The responsibilities for both students and faculty with regard to the Honor System are described on <http://mba.mcombs.utexas.edu/students/academics/honor/index.asp> and on the final pages of this syllabus. As the instructor for this course, I agree to observe all the faculty responsibilities described therein. During Orientation, you signed the Honor Code Pledge. In doing so, you agreed to observe all of the student responsibilities of the Honor Code. If the application of the Honor System to this class and its assignments is unclear in any way, it is your responsibility to ask me for clarification.

As specific guidance for this course, you should consider the *writing* of all examinations to be an individual effort. Do not consult your classmates during the completion of this exam. Group *preparation* for examinations is acceptable and encouraged. Group projects are designed to encourage teamwork and collegiality. Take care not to plagiarize the work of others when preparing your group projects.

Students with Disabilities

Upon request, the University of Texas at Austin provides appropriate academic accommodations for qualified students with disabilities. Services for Students with Disabilities (SSD) are housed in the Office of the Dean of Students, located on the fourth floor of the Student Services Building. Information on how to register, downloadable forms, including guidelines for documentation, accommodation request letters, and releases of information are available online at <http://deanofstudents.utexas.edu/ssd/index.php>. Please do not hesitate to contact SSD at (512) 471-6259, VP: (512) 232-2937 or via e-mail if you have any questions.

Course Schedule

Friday/Saturday, June 5-6 (6 hours)

Video Prequels:

- National Income Accounting
- Measuring Labor Market Performance
- Price Indexes and Inflation

Topics:

- National Income Accounting: Measuring and Comparing Macroeconomic Performance
- Price Indexes and Inflation
- Measuring Labor Market Performance
- Nominal and Real Variables in Macroeconomics
- Schools of Thought and the Phillips Curve
- Fiscal Policy
- Intro to Monetary Policy

Moss Text:

- Chapters 1 – 3, 5 (material on pp. 11 – 18, Exchange of Output Across Countries, will be discussed during second weekend).

Cases: Matthew Weinzierl and Eric Werker, “Barack Obama and the Bush Tax Cuts (A),” and “...(B)”

Saturday, June 13 (4 hours)

Due: Homework 1

Video Prequel: Exchange Rates

Topics:

- Monetary Policy: Normal Times vs. Financial Crisis and Severe Recession
- International Trade and Finance

Moss Text:

- Chapters 4, 6-7.

Cases: Francis Warnock, “Geithner and Bernanke Amid the Global Financial Crisis”

Sunday, June 21 (interim due date, no class)

Due: Homework 2 (electronic submission by 5pm)

Friday, June 26 (2 hours)

Final Exam (1 hour)

Discussion of contemporary topics in macroeconomics with remaining time.