

Course: Global Economic Opportunities and Challenges

Semester	Duration	Course character	Workload	Credit Points	Examination form
Fall	International Week	Elective	90 h (30 h contact study 60 h self-study)	3	Written Exam

Course coordinator

Prerequisites

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Description of the course

This course is a chance for to learn more about issues in the Global Economy that affect all countries, whether in Germany, the United States, the UK, China, or anywhere. There are three topics that will be covered: Trade between countries, the exchange rates, and the impact of inflation on the global economy. Each topic will be discussed from the perspective of several historical and current events. For example, the discussion covers the hyperinflation in Germany in 1923, and the recent event where the U.S. Government nearly defaulted on its debts.

1. DAY 1:
 - 1.1. Introductions
 - 1.2. Why do countries trade and why do most Economists prefer free trade?
 - 1.3. What are the gains from trade like – who wins and who loses?
 - 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. How do exchange rates affect currency management and government debt
 - 3.6. Why did the U.S. nearly default on its debts in May, 2023?
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. Carr regarding Day1 -> Day 3 material.
5. DAY 5: Final Day
 - 5.1. EXAM Time

Competency aims

This course aims to:

- Introduce the key elements of trade between countries and the context of certain historic events.
- Provide key strategies for applying the theory into practice.
- Enhance writing and verbal communication skills in English.

Course components

- Attendance and participation: Attendance and participation in class is strongly encouraged as general discussion, asking and answering questions will help understanding the course material.
- Group Presentation: On the fourth day, there will be group presentations on an International Economic Issue of choosing. Part of the fourth day will include free time for the students to work on the presentations and ask questions.
- Exam: The exam will be held on Friday, October 25, 2024. 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. To receive a passing grade for the course students must obtain at least 50% of the total points possible.

References

Lecturer	Course language	Usability in ongoing studies / other studies
Prof. David Carr, Ph.D. dcarr@usd.edu	English	