

Course		
Global Economic Opportunities and Challenges		
Lecturer	Duration	ECTS /Credits
Prof. David Carr dcarr@usd.edu	October 23-27, total of 24 hours (SWS)	3
Course Character	Semester	Course Language
Elective Course	Fall Semester	English
Prerequisites		
There are no prerequisites for this course.		
Description of the Course		
<p>WHAT THIS COURSE IS:</p> <ol style="list-style-type: none"> 1. FUN! I will be traveling 7400km in order to meet with you and teach the course. If I am going to travel that far, please know that I want to have fun, and I want the students to also have fun! 😊 2. This course is a chance for you to learn more about issues in the Global Economy that affect all of us, whether in Germany, the United States, the UK, China, or anywhere. 3. There are three topics I want to cover, but the material will be at a basic level – so you don't need any prior knowledge – you just come to class, have fun, and learn! 4. During each of the topics, I plan to talk about important current and historical events that I think you'll find interesting. For example, we will discuss the hyperinflation in Germany in 1923, and we will also cover the recent event where the U.S. Government nearly defaulted on its debts. Last year we discussed the failure of the Liz Truss Government in the U.K. 5. At the most basic level, this course is an opportunity for you to take a course taught by a native English speaker, and to do your work in English. I will have you complete both written and oral assignments during the course. In short, this course is a great opportunity for you to improve your English skills. <p>WHAT THIS COURSE IS NOT:</p> <ol style="list-style-type: none"> 1. Technically difficult. The material in the course is all taught at a basic or introductory level. 2. A course ONLY for economics majors. I will be teaching this course for ANY students, regardless of their major. In fact, I am aware that most students in the class are NOT economics majors, and that is OK!!! 3. This course is NOT an English language course – what I mean is that I am not going to grade your work based on your ability to write and speak in English. So while you'll get to practice your English, I will ONLY grade the content of your work. <p>Each day, one or two major issues in the Global Economy will be discussed. Each topic will be examined through a combination of lecture, discussion, and working of problems. On the last day of the course, we will conclude with an exam. In the exam, you will be given the opportunity to share your opinions and thoughts in English.</p>		
Course components		
<ol style="list-style-type: none"> a. Attendance and participation: Attendance and participation in class is strongly encouraged as general discussion, asking and answering questions will help understanding the course material. b. Exam: The exam will be held on Friday, October 27, 2023. 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, where I will give you the opportunity to show me how much you learned during the class! To receive a passing grade for the course students must obtain at least 50% of the total points possible. c. Group Presentation: On the fourth day, we will have group presentations on an International 		

Economic Issue of your choosing. Part of the fourth day will include free time for you and your group to work on your presentations. As part of the goal for this course is to get the students to take a “topics” course in English, your presentation will be given in English.

Preparation for and Participation in Class:

You are expected to have completed all assigned readings and to have, at minimum, attempted the homework assignments prior to each class. I will provide you the reading material via PowerPoint files that I will email to you – also, three copies of the textbook are in the Business Library on the first floor of your faculty building. Classroom lectures/discussions will be utilized to develop and enhance your understanding of the material. You have to be prepared at all times to actively participate in classroom discussions, and you should attend class and participate on a regular basis. Please bring a calculator to each class.

Course Outline:

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. Car regarding Day1 -> Day 3 material.
5. DAY 5: Final Day
 - 5.1. EXAM Time

Selected References:

The seminar is based in particular upon the following references:

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| N. Gregory Mankiw | Principles of Economics, 7 th edition, Cengage, 2014 |
| Feenstra, Robert C. & Taylor, Alan M.: | Essentials of International Economics, 3rd edition, Worth, 2014 |