

## **ECO 560: Macro Economics and Global Business Environment**

The Economics and Policy in the Global Business Environment course is to help you understand how a firm's strategy is influenced by the firm's environment and the strategy and environment interact to affect the performance of the firm. We will study the forces that shape relative costs of production, trade flows, capital flows, interest rates, exchange rates, and other variables that affect the global economic landscape. We will also examine how political institutions influence the global environment. The course examines firm-level decisions in the face of these global forces and how globalization affects firm performance. The ultimate objective is to help you develop a toolkit for analyzing both opportunities and risks in the global business environment.

The course will utilize lectures, case based exercises, and a team project to develop ideas. Students will be required to work in groups and individually. In addition to team work and class participation, a final examination will also be part of grade determination.

### **Learning Outcomes**

Students who successfully complete this course will know how the basic macroeconomic variables are measured and how to use basic demand and supply analysis to consider monetary and fiscal policy questions. Those supply and demand models include three different, but interrelated markets – flow-of-funds (loanable funds), output, and foreign exchange markets. The output market analyses will consider both short-run stabilization and long-run growth issues.

Further, we consider how a corporate Treasurer can manage foreign exchange risk from global operations.

### **Text book**

Global and Macroeconomic Environment for Business by Stephen M. Miller, 2013