

Executive MBA Program
Fall 2021
MGMT914 – Economics

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Course Objective:

This course is designed to provide participants with the essential background and tools for managers and executives in macroeconomics. It will introduce participants to the principles of macroeconomics and covers various topics in macroeconomics through real world policy relevant applications.

Learning Outcomes:

Upon successful completion of the course, the student should be able to:

1. Describe the primary issues addressed in macroeconomics.
2. Differentiate among the three approaches to national income accounting and explain how GDP is measured.
3. Discuss the sources of economic growth and the fundamentals of growth accounting.
4. Discuss the fundamentals of asset market equilibrium and the relationship between money and prices.
5. Explain the IS-LM/AD-AS Model.
6. Use aggregate demand and aggregate supply to describe the impact on business cycles of various shocks.

Supporting Material:

[Optional Reading] A Concise Guide to Macroeconomics (CGM): What Managers, Executives and Students Need to Know, David A. Moss, Harvard Business School Press, Second Edition, 2014.

[Optional –background to the HBS Cases] Abel, A. B., Bernanke, B., & Croushore, D. (2020). 10th Global Edition). *Macroeconomics*. Pearson Higher Ed. Abbreviated as [ABC]

The Wall Street Journal, Bloomberg Businessweek, The Economist, Financial Times.

List of Cases and Simulations

Sabancı University has subscription to the Harvard Business Publishing Cases. Students can download the following cases free of charge from the HBP website (details will be shared later). The case/simulation list can be found in the course schedule below.

Course Web:

SuCourse will be actively used throughout the semester. Students should check their accounts frequently to ensure that they have the most recent course materials. Course announcements, assignments, case questions, etc. will be posted on SuCourse.

Instructional Design:

The course will include lectures to introduce relevant concepts and to discuss the course material. **Students are expected to arrive to the class prepared for that day's content (case readings, technical notes).** Student participation is expected in case studies and discussions, which will be part of grading.

Grading:

Attendance and participation	: 10%
Case studies	: 40%
Simulation report	: 10%
Final Exam	: 40%

All exams will be open book/notes and may consist of short essays and graphical analysis. Participation grade is determined based on the in-class case study and other discussions.

Requirements:

Lectures & Attendance

Students are expected to attend all lectures and participate in discussions. Participation to in-class discussions constitutes 10% of the overall grade. Lectures start on time.

Case Study Participation

Students are expected to get prepared for case studies (read papers/notes and/or provide answers to case study questions). If they participate in these case study classes, they will receive participation grade -as long as the participation is relevant to the discussion. That is, students should not just get air time in class but actual contribution to the learning in the classroom is important in the participation grade (individual grading).

Make-up Exams

There are no make-up exams unless a situation arises which was not foreseeable and which was not under the control of the student. Requests for make-ups must be made directly to me as soon as possible and must be accompanied by relevant documentation (e.g., official

doctor's report from the campus health center in case of health problems, a letter from your advisor in case of a family emergency).

Grading

Students should write up their objections and submit them to me no later than a week after receiving their graded work. This document should clearly explain the basis of objection. Except for minor grading errors, no verbal objection is accepted.

Special needs students

Any student who, because of a disability, requires some special arrangements in order to meet course requirements should contact me as soon as possible to make the necessary accommodations.

Updates

Changes or additions to any of the policies above, if any, will be announced on the course website.

Academic Honesty:

Learning is enhanced through cooperation and as such you are encouraged to work in groups, ask for and give help freely in all appropriate settings. At the same time, as a matter of personal integrity, you should only represent your own work as yours. Any work that is submitted to be evaluated in this class should be an original piece of writing, presenting your ideas in your own words. Everything you borrow from books, articles, or web sites (including those in the syllabus) should be properly cited. Although you are encouraged to discuss your ideas with others (including your friends in the class), it is important that you do not share your writing (slides, MS Excel files, reports, etc.) with anyone. Using ideas, text and other intellectual property developed by someone else while claiming it is your original work is *plagiarism*. Copying from others or providing answers or information, written or oral, to others is *cheating*. Unauthorized help from another person or having someone else write one's paper or assignment is *collusion*. Cheating, plagiarism and collusion are serious offenses that could result in an F grade and disciplinary action. Please pay utmost attention to avoid such accusations.

Classroom policies and conduct

Sabancı EMBA Program values participatory learning. Establishing the necessary social order for a participatory learning environment requires that we all:

- Come prepared to make helpful comments and ask questions that facilitate your own understanding and that of your classmates. This requires that you complete the assigned readings for each session before class starts.
- Listen to the person who has the floor.
- Come to class on time.

Course Schedule:

Session 1

Topic: **The Economics of Competitive Markets (HBS Technical Note)**

Requirements: HBS Case: BE Oil (Case 1)

Session 2

Topic: **A Brief Introduction to Macroeconomics**

Requirements: HBS Technical Note (Case 2)

Session 3

Topic: **The IS/LM Model**

Requirements: HBS Technical Note (Case 3)

Session 4

Topic: **Aggregate Demand and Aggregate Supply**

Requirements: HBS Technical Note

Session 5

Topic: **An Emerging Market Application**

Requirements: HBS Case: Brazilian Stagflation (Case 4)

Session 6

Topic: **Group Simulation**

Requirements: HBS Simulation: Macroeconomics Simulation: Econland
